Daily Report

Latin America

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CONTENTS

CARIBBEAN

Cuba

Helms Bill: 'Punishment, Punishment and More Punishment' *[Havana Radio]* 1
Attorney General: Helms-Burton Bill a 'Cosmetic' *[Havana Radio]* 1
Government Hearings To Focus on Helms-Burton Bill *[PRENSA LATINA]* 1
Article on Impact of Helms-Burton Bill *[PRENSA LATINA]* 2
Legislator: Helms-Burton Bill Seeks To Take 'Very Country' *[Havana TV]* 3
Commentary Lauds Clinton Criticism of Reactionary Rhetoric *[Havana Radio]* 4
Blames Oklahoma Bombing on 'New Right' *[Havana TV]* 4
GRANMA Warns of Dangers of U.S. 'Ultraconservative Forces' *[Havana Radio]* 5
Commentary on Social 'Imbalance' Within United States *[Havana Radio]* 5
Spokesman Rejects U.S. 'Intervention' in Judicial System *[Havana Radio]* 6
Foreign Ministry Spokesman's News Conference Summarized *[Havana TV]* 6
Vice Foreign Minister Welcomes Visiting Leningrad Governor *[PRENSA LATINA]* 7
Governor Rejects Helms-Burton Bill *[Havana Radio]* 7
UK Spokesman Cited on Trade Plans, U.S. Blockade *[Havana TV]* 7
Trade Minister Says Nation's Banking System Needs Reform
[Tokyo NIHON KEIZAI SHIMBUN 1 May] 7
Roundup of Economic Developments *[Havana Radio, etc.]* 8
Roundup of Politburo Members' Activities *[Havana Radio, etc.]* 8
Radio Headlines From 'First Thing' Program *[Havana Radio]* 9
Electricity Generating Capacity Figures Updated *[Havana Radio]* 10
CTC Official on Realignment of Labor Force *[PRENSA LATINA]* 10
Correction to General Rosales Address 10

Haiti

Aristide Abolishes Army, Vows To Step Down on 7 Feb 1996 *[Port-au-Prince Radio]* 10
Aristide Urges Demobilized Soldiers To Bolster Security *[Port-au-Prince Radio]* 11

MEXICO

Zedillo Comments on Political, Social 'Backwardness' *[NOTIMEX]* 12
Secretary on Dialogue as Means of Achieving Transformation *[Mexico City Radio]* 12
Senate Approves Foreign Investment in Gas Distribution *[NOTIMEX]* 13
Chamber Approves Reforms of Article 27 of Constitution *[EL FINANCIERO 28 Apr]* 13
First Quarter Trade Balance Results in $88 Million Surplus *[NOTIMEX]* 13
Approximately 700,00 Families Could Lose Homes *[REFORMA 28 Apr]* 14
Secofi Optimistic About Increase in Exports to U.S. *[LA JORNADA 28 Apr]* 15
El Barzon Decision To Use 'Commandos' *[REFORMA 20 Apr]* 15
New El Barzon Legal Defense Effort *[LA JORNADA 21 Apr]* 16
Oaxaca, Veracruz El Barzon Activities *[LA JORNADA 23 Apr]* 17

CENTRAL AMERICA

Belize

Authorities Repatriate 20 Cuban Refugees *[CANA]* 18
Prevent Media Coverage *[CANA]* 18

El Salvador

Calderon Confirms Peace Accord Timetable Rescheduled *[San Salvador TV]* 18
Fusades Study Concludes Dollarization 'Risky' *[LA PRENSA GRAFICA 29 Apr]* 18

Guatemala

President on Human Rights Cases, CIA Ties *[Guatemala City Radio]* 19

Nicaragua

Demonstrators Protest Deportations at U.S. Embassy *[ACAN]* 22

Panama

President, Foreign Minister Meet With U.S. Congressmen *[Panama City TV]* 22
Minister Signs Border Security Agreement With Colombia *[LA PRENSA 28 Apr]* 22

SOUTH AMERICA

Argentina

Government Releases Text of Decree Regulating Patents *[NOTICIAS ARGENTINAS]* 23
Air Force Chief Pre-Announces Self-Criticism Speech *[LA NACION 28 Apr]* 23
Jewish Organization, Daily Office Receives Bomb Threat *[NOTICIAS ARGENTINAS]* 24

Bolivia

Government, Union Begin Talks With Church Mediation *[La Paz Radio]* 24
COB, Government Agree To Resume Talks, Lift Strike *[Madrid EFE]* 24
Bishops Call For Peace; Government Reacts Favorably *[La Paz Radio]* 24
Expelled Foreign Union Leaders Leave Country Voluntarily *[La Paz TV]* 25
First Regional Supreme Courts Meeting Ends *[La Paz Radio]* 25

Brazil

Senators Reject U.S. Pressure to Approve Patents Bill *[AGENCIA ESTADO]* 25
Esca Says It Will Pay Due Social Security Contribution *[FOLHA DE SAO PAULO 27 Apr]* 26
SAE Official Justifies Sivam Payments to Esca *[FOLHA DE SAO PAULO 27 Apr]* 26
Cardoso Fires Petrobras Director for Criticizing Government *[Rio de Janeiro TV]* 26
Outlines Foreign Policy Guidelines *[Brasilia Radio]* 26
Sanctions Wage Law, Assesses Government Work *[Brasilia Radio]* 27

Chile

Cuba Agrees to Designation of Current Consul as Ambassador *[EL MERCURIO 25 Apr]* 27
Investment Protection Agreement Signed With Czech Republic *[EL MERCURIO 25 Apr]* 27
Russian Ambassador Denies Charges of Weapons Trafficking *[Madrid EFE]* 28
Growth of Protestant Churches Viewed *[LA NACION 14 Mar]* 28
Legislators Review Proposed Press Law *[EL MERCURIO 15 Mar]* 29
Coalition Forms Coordinating Committee *30*
UCCP Breaks Ties With RN; RN Reaction *[LA NACION 31 Mar]* 31

Colombia

Government Aircraft Fires at Town of Miraflores *[Santa Fe de Bogota TV]* 32
Prospects for Peace Talks Assessed *[EL TIEMPO 9 Apr]* 32
Billion Pesos Offered for Kingpins' Capture *[EL ESPECTADOR 7 Apr]* 34
Reward System for Kingpins' Arrest Praised *[EL TIEMPO 8 Apr]* 34
Peasants Attribute Crop Loss to Glyphosate *[EL TIEMPO 7 Apr]* 34
Commentary Blames U.S. Vietnam Experience for Drug Problem *[Santa Fe de Bogota TV]* 36

Ecuador

Preparations for Accession to GATT Viewed *[HOY 17 Apr]* 36
Commentary Analyzes Fujimori Victory *[EL UNIVERSO 16 Apr]* 37

Peru

Daily on World 'Terrorism' Wave, Need for Vigilance *[EL COMERCIO 21 Apr]* 38
'Painful' Oklahoma Bombing, Need for Solution Viewed *[EL PERUANO 24 Apr]* 39
JNE Officially Discloses General Elections Final Vote Count *[Madrid EFE]* 39

Venezuela

Caldera Addresses Nation on Labor Day *[Caracas TV]* 39
Ministers Sign Resolution on Sale of Foreign Exchange *[EL NACIONAL 28 Apr]* 42
Fedecamaras President Reaction *[Caracas TV]* 42
Minister Says Oil Price Hikes Improving Country's Outlook *[EL NACIONAL 28 Apr]* 42
Government Will Allow Meat Imports To Combat Price Hikes *[Caracas TV]* 43
Armed Forces, Workers Confederation Hold Forum *[EL NACIONAL 28 Apr]* 43
Emergency Board Approves Banco Latino Rescue Plan *[ECONOMIA HOY 21 Apr]* 43
Cadenas Views Banking Sector Crisis *[EL NACIONAL 16 Mar]* 44
Fedeagro Presents 1995 Pricing Proposal *[EL DIARIO DE CARACAS 25 Mar]* 45
Health Services Passed to 3 States *[EL DIARIO DE CARACAS 24 Mar]* 46

Cuba

Helms Bill: 'Punishment, Punishment and More Punishment'

FL2804122495 Havana Radio Rebelde Network in Spanish 2300 GMT 26 Apr 95

[Commentary by Fernando Davalos; from the "Exclusive" program]

[FBIS Translated Text] The Helms-Burton bill, which will be debated next week by the U.S. Congress, continues treating us like the enemy, and refuses to look us in the face and listen to our considerations. If it could make us disappear from the face of the earth, it would do so in a heartbeat. In this sense the Helms-Burton bill does not present anything new. Punishment, punishment, and more punishment for Cuba. The bill even denies bread and water to anyone who has anything to do with nationalized U.S. properties. The bill prohibits extending credit, loans, or any type of financing, as well as entry into the United States, to those who traffic, as they say, in those properties, those old interests in Cuba. They are talking about anyone currently involved in joint ventures with Cuba involving the legitimate property of the Cuban people, which previously belonged to some of the biggest U.S. companies. Nationalization carried out by the Revolution in the 1970's still stings them. Because of the Revolution and nationalization, they couldn't charge one red cent, but it was their fault alone since the Cuban Government was always ready to pay. Reactionary individuals with extreme right-wing, hysterical views of the Cuban Revolution turned a deaf ear to Cuba's propositions to resolve the issue. Instead they embarked on a policy of hostility towards us, without listening to our concerns, without looking us in the face. They are rabid; people like Helms and Burton don't seek payment for their properties in Cuba, but rather the complete and unconditional ruin of the Revolution. They have not succeeded yet, and of course never will achieve the objective of this undeclared war with the blockade and now these absurd punishments that are, I repeat, nothing new.

Attorney General: Helms-Burton Bill a 'Cosmetic'

FL2804183395 Havana Radio Rebelde Network in Spanish 1700 GMT 28 Apr 95

[From the "National Radio News"]

[FBIS Translated Text] Guantanamo's Attorney General Genaro Carcaces commented on the Helms-Burton bill, which makes reference to the Guantanamo Naval Base.

[Begin Carcaces recording] It comes as a result of the U.S. frustrated annexation attempt. This law portrays the issue of the base as a collusion; a kind of cosmetic to cover an issue of importance for the Cuban people; to disguise its illegal and immoral character. Once more demonstrating that it is a political issue, they include the Guantanamo Naval Base within the process of change toward capitalism sponsored by the U.S. Government, sponsored by an army, which is not defined in the law as being either a Cuban army or an American army. They include in their analysis the Guantanamo Naval Base. As a result of the Platt Amendment, as a result of the 1903 treaty, as an expression of the free range which the United States might have in Cuba by means of a judicial tool, it has truly become a political issue. Not only as result of these efforts, but also of all the existing historical documents on the U.S. desire to fully control Cuba and absorb it into the union. [end recording]

Government Hearings To Focus on Helms-Burton Bill

PA2904043095 Havana PRENSA LATINA in Spanish 1700 GMT 28 Apr 95

[By Moises Saab of PRENSA LATINA: "Differences in Perception Between Cubans and U.S. Congressman"]

[FBIS Translated Text] Havana, 28 Apr (PL)—Despite his many economic problems, there are many essential matters that do not worry the average, run-of-the-mill Cuban—matters that are nothing more than vague distractions from the everyday mental processes of the younger generations.

If you should ask a Cuban in the streets of Havana to read to you a message on a particular billboard, he will probably take pity on you and question the nature of your visual ailment. He will, however, look at you as if you are an alien from another planet if you confess to being an illiterate in a country where education is free and compulsory.

A similar thing happens with the right to housing, which was guaranteed in one of the first laws approved by the government of then-prime minister and current President Fidel Castro, allowing an enormous mass of people to buy their homes at reasonable prices.

The confirmation of both rights, education and housing, among others, have earned Cuban authorities substantial popular support. People expressed their support by signing up in organizations such as the workers and peasant militias, a reservoir from which the authorities gained great strength to organize and protect the government's political project.

The Cuban leadership will resort to this combination of factors—the solution of vital problems and the uninterrupted ideological mobilization—to take apart a bill that has been presented in the U.S. Congress. This bill proposes a heightening of the punitive measures of the commercial blockade against the island, which has been implemented for the past 32 years.

The debates within the U.S. Congress on the text of the so-called Helms-Burton bill must end by July. The bill has been criticized by the EU and Canada—two of Cuba's associates in the current economic opening—and rejected by international political and social sectors because of its implications and perspectives.

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The Cuban Foreign Ministry has obviously felt greatly encouraged by the opposition expressed by sectors of diverse ideological leanings. However, authorities in Havana have evidently placed their greatest hopes on the Cuban citizens, who, in the end, will be the ones who suffer most if the initiative is implemented.

Sponsored by ultraconservative legislators, the initiative requires, among other things, the return of expropriated assets and properties to their former owners who are U.S. citizens. Since then, those assets and properties were handled by social laws such as the urban and agrarian reforms and the nationalization of education.

Informed media have reported the initiation of a broad information campaign that will center on the dissemination of the bill's discriminatory aspects and consequences, and not only in a mass protest, which is very different from the strategy used in other causes of friction between Washington and Havana. [sentence as received]

Currently, one of the strongest arguments to muster the people's support is the damage such a law would cause to all Cubans, regardless of their ideological inclinations, because its impact would be similar to the indiscriminate bombing of the country in which it would be impossible to make distinctions between victims.

PRENSA LATINA obtained details that Cuban authorities, who continue to have substantial mobilization power, are organizing public hearings in which the most qualified specialists in legal, political, and economic issues will study the bill and its consequences.

One political observer noted that the emphasis will be placed on getting to the people's brains more than to their hearts. Based on the current situation, intellect must take precedence over emotion to counter that which the Cubans have every right to describe as an open and declared economic war.

Article on Impact of Helms-Burton Bill

PA3004185295 Havana PRENSA LATINA in Spanish 0818 GMT 29 Apr 95

["Exclusive" article for PRENSA LATINA by Ernesto Montero Acuna from the weekly TRABAJADORES: "Helms: The Privatization of the Soul"]

[FBIS Translated Text] Attempting an effective implementation of the future Jesse Helms law, still being debated in the U.S. Congress as a bill, would constitute in practice a declaration of war against the Cuban people.

Only through brutal and brute force would it be possible to evict every Cuban from his individual and collective properties, impose the authority of the U.S. President on all our actions, and abolish the most genuine values of every one of us.

What is Senator Helms seeking? To disenfranchise and subjugate us by strengthening the "international sanctions" and holding supervised elections and installing a transition government for one year and an elected government afterward. The "suitability" of that government, however, must be endorsed by the "requirements" of said law.

In his asinine bill, which he introduced in the Senate and Dan Burton in the House of Representatives, one can perceive different—explicit and implicit—purposes, which we must look at.

First, it has to be explained that the so-called "transition government," would be nothing more than a junta of neoannexationists now living in Miami tasked with expanding what they term the "cleanup" of the country. It would be a year outside every law and could be postponed indefinitely. Force, the U.S. Army presumably, would be required to achieve it. It may seem like madness, but this is the logic of it.

One of the more clearly stated purposes in the text of the bill is the protection of "the rights of ownership abroad of U.S. nationals," a reformulation of the old imperial practice often applied in Latin America that also conceals a gross lie. It does not deal solely with—and this is not necessarily the most important— the nationalized goods that formerly belonged to "native" U.S. citizens, but also to those belonging to the ultraright persons that have taken U.S. citizenship.

It is, however, necessary to note on this matter that in its laws, the revolutionary government was generous in the early years and established amounts and means to compensate true U.S. citizens and entities, Cubans whose properties had to be expropriated for the good of the nation and its neediest, and citizens of other countries. Only the properties belonging to Batista supporters on the run, embezzlers who enriched themselves at the expense of the nation, and active counterrevolutionaries at the service of U.S. reactionary sectors and their military and intelligence forces were expropriated.

These are merely explanations necessary to understand which "ownership rights" Senator Helms is protecting. Except for the air, they include almost anything that now exists in Cuba. In his opinion, "property" represents any good, "right, or interest," including leases, the "debts contracted by the Cuban Government or the companies that were confiscated" by said government, and the "debts that constitute a burden" on those companies.

In sum, everything. By virtue of these definitions, sometimes drafted with deliberate ambiguity, a claim can be filed on things ranging from the land used for children's baseball practice to an industry built on expropriated land—or its products or financial results—or a school, a hospital, an apartment building, a house amortized based on the urban reform law, or untold goods of any kind, as well as the economic and monetary interests that a former owner or his heirs may seek to recover if possible.

It would be tantamount to telling those of us who have always lived in the country to renounce our vital belongings and hand everything over to people who will claim

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them in a district court in Miami or any U.S. county, although they have not taken over power in Cuba, to later demand them in this country. At least Helms' supporters think that way. His demented bill—an unheard of precedent for the world—cannot be enforced here, however.

The North Carolina senator added to his definition of property the concept of "trading" it, which consists of "selling, transferring, distributing, or partitioning it, or transferring the control, administration, or utilization of the property" that belongs, as already stated, "to any U.S. citizen, company, consortium, corporation, or any legal entity," even if that person owned half of the property in question.

Certain explanations are needed to understand the final goal. The first one is that, given the spirit of these "precepts" and based on experiences tested in other nations, all actions of the revolutionary government in this area would be considered ilegitimate, from those carried out in its first years to the current economic reforms. And the second is that citizens, organizations, and countries that established agreements with Cuba in any area of our economy or those who might do so in the future could be sanctioned by various measures specified in the text.

Legislating in the United States with the goal of applying the principle of extraterritoriality, banning Cuba from international financial organizations, and prohibiting it from establishing favorable ties with other countries or groups of countries also undermine our sovereingty, legitimate interests, and independence, not only those of others. But the most specific example is offered by the intention to give the U.S. President absolute authority over all of us and to turn him into the permanent drafter of reports for congressional committees.

It would be demanded of him to "ascertain that a democratically elected government," which would be a faithful copy of the one in the United States, "is in power" here, and only then, "would he adopt measures to terminate the economic embargo" that is well-known among us as a blockade. Simple common sense is all that is needed to understand that there can be no democracy unless it is freely and sovereingly exercised, and that Cuba exists on the basis of a superior institutional order of its own, although Helms might overlook this.

This "freedom" that they seek to impose on us would imply the unthinkable possibility of a subdued armed forces, dissolution of the "current State Security Department of the Ministry of the Interior of Cuba, including the defense committees of the revolution and the Rapid Action Brigades," removal of the country's current leaders and the imposition of others, and the posting throughout national territory of monitors "with freedom to act" to certify the good behavior of Cubans.

According to this interventionist law, the imaginary transition government should reinstate the nationality of annexationists born here so that they may claim possession over everything that Helms plans to give them from his seat in Washington, and of course, "ensure rights to private property" over water and air, land and sea, and our souls and our bodies. It also proposes giving U.S. citizenship to those who left thinking as U.S. citizens although they were born in Cuba.

The aforementioned, however, do not include all their goals, which reflect the ascent of a fascist and racist ideology in the United States. The final goals are to abolish the concept of nation and national sovereingty, turn the U.S. law into a source of rights over other countries, and in our case, reinforce resignation to the spirit of resistance, and encourage a massive exodus and political desertion. The latter, at least, can be forseen as a tactic with possible immediate effects.

In the ongoing congressional debates, the future of this bill cannot be forecasted with absolute certainty, but it could be approved with modifications. Its fascist and colonialist intentions, however, would be impracticable in Cuba. They could try to transform the blockade into a seige, but they would have to face all our generations, present and future ones, without succeeding in subduing us.

We are a small unconquerable country.

Legislator: Helms-Burton Bill Seeks To Take 'Very Country'

FL0105022295 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 1 May 95

[Speakers identified by video captions; from the "NTV" newscast]

[FBIS Translated Text] The U.S. Congress will begin debating the Helms—Burton bill, one of the most hostile anti-Cuban projects of the last few years, on 3 May.

The August 1994 rafters' exodus once again brought Cuba to the forefront in the United States after several years' absence. Important U.S. political, business, and media circles began speaking of the need to review U.S. policy on Cuba. However, the most conservative U.S. circles have shown a significant aggressiveness in the first months of 1995, bringing nine bills before Congress. These are now condensed into the bill that Republican Senator Jesse Helms and Representative Dan Burton have presented. The bill aims to toughen the economic siege against Cuba even more. Its scope goes far beyond the Torricelli Law of 1992.

[Begin Lazaro Barredo, National Assembly of the People's Government (ANPP) deputy, recording] They demand our very country. No one here can think it does not affect them. Almost everything we have today, every piece of property, will be contested—the factories, the fields, the homes, and hospitals. [end recording]

The U.S. Congress will begin debates on this new anti-Cuban initiative on 3 May.

[Begin Julio Carranza, from the America Studies Center, recording] Even though the leadership—those supporting

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the bill—are Republicans, there are important Democrats supporting this bill. Therefore, the lines are not clearly drawn between Republicans and Democrats but, rather, between a more liberal sector of the Congress—a minority—and the most conservative sector. The possibility that it will be approved, keeping in mind the current balance of force in Congress, is obviously high. However, no bill is approved in the United States just like that. There is a process of negotiation, of discussion to modify the text of the bill until it is acceptable to all sides. This is how bills are finally approved. [end recording]

The Helms-Burton bill has been criticized in the United States and abroad even before it has been approved. Major U.S. allies have not concealed their rejection of the anti-Cuban bill.

While the U.S. Congress debates the Helms-Burton bill, the ANPP will also hold public hearings to debate this new violation of our national sovereignty. Deputies, scholars, researchers, and legal experts will express their views on the extraterritorial nature of the bill, the nationalization of properties of U.S. citizens, mechanisms for restitution and returning properties to Cuban- Americans, and the subordination of our national sovereignty to the U.S. Congress. The debate will include diverse social sectors of the population.

Three elements are at play in the Helms-Burton bill: first, the U.S. Congress, which is charged with approving it and is currently controlled by a conservative majority; second, the Clinton administration, entrusted with implementing it and confronting pressure from its allies; and third, the Cuban people, who in the end decide its fulfillment. That, by the way, is a completely different story.

Commentary Lauds Clinton Criticism of Reactionary Rhetoric

PA2904141095 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Apr 95

["Radio Havana Cuba Comments" by Norberto Hernandez from the "Evening Information Review" newscast]

[FBIS Translated Text] President William Clinton has recovered considerable political prestige as a result of his skillful handling of the crisis unleashed by the criminal terrorist attack in Oklahoma City and the ultrarightist agitation of the Republican majority in the U.S. Congress.

The U.S. and international public have viewed the swift, effective presidential reaction and the course of the investigation, including the prompt arrest of primary suspects, as positive.

Now the president has launched a counteroffensive that has practically snatched the initiative from the noisy ultrarightist class leading the Republican majority in Congress.

Mr. Clinton was beleaguered after his party's defeat in the partial congressional elections, followed by the highly publicized 100-day program and the so-called New Deal touted by the legislative group headed by Representative Newt Gingrich, who was at one point described as having more influence among the people than the president of the nation.

The shock produced by the atrocious Oklahoma attack put the limelight on the potential danger of the aggressive rhetoric of the U.S. extreme right. The president himself publicly criticized radio broadcasts that support the most reactionary positions, constantly attacking government policies and progressive currents in U.S. society.

He specifically mentioned the radio programs of Pat Buchanan and (?Allen Kiest), both presidential aspirants of the Republican Party.

Strident, fiery programs such as those Hitler made vogue 50 years ago promote most reactionary ideas through discourse that apparently defends U.S. traditions and values without considering social progress and the necessary changes required by the evolution of history.

They appear to defend popular interests but stir the basest passions in favor of objectives that have nothing to do with the legitimate interests of the working people but of the privileged minorities.

The programs are viewed as a source of ideology for the furthest ultraright sectors of U.S. society, which fuel spreading paramilitary and terrorist groups.

These radio broadcasts are as subversive as those the U.S. Government has been directing against Cuba using substantial federal funds that should have better use. For 24 hours a day, Radio broadcasts incite sabotage and terrorism in our country, a neighbor country already under the pressure of a truly criminal economic blockade aimed at making the Cuban people desperate so they will rebel against the government that has worked the hardest in Cuba's history.

This policy is beginning to backfire and is affecting U.S. social stability. Logically, it has awakened official concern, as clearly expressed by President Clinton.

The Democratic president must continue to uncover and to report to the public on the somber, ultrareactionary conspiracy to drag his country toward deadly fascism.

Blames Oklahoma Bombing on 'New Right'

FL2904023195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 29 Apr 95

[Commentary by Eduardo Dimas; from the "NTV" newscast]

[FBIS Translated Text] It is said that he who sows the wind harvests storms.

This appears to be the point of view of many U.S. media outlets, who are asking if the barrage of extreme right-wing ideas flowing from the mouths of important politicians and over the radio and television waves are not behind the attack on the federal building in Oklahoma City. Some ask

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if the antigovernment climate following the Republican victory in recent elections could have been a stimulus for this terrible incident, the work of unscrupulous fanatics. House Speaker Newt Gingrich rejects these charges.

However, it is certain that those responsible for the attack are linked with paramilitary neo-Nazi groups. Christian fundamentalist sects that oppose arms control think that the federal government is an instrument of Judaism and international communism and promote white supremacy. It has been known for many years that 300 of these types of organizations exist in the United States—from the Klu Klux Klan to the Michigan Militia and the Arizona Patriots—organizations that practice with weapons of war and are the perpetrators of several crimes against progressive figures and black people. The majority are financed by the more economically powerful sectors. The speech of the U.S. extreme right necessarily exacerbates activities of those elements who now hear what they have so long wanted to hear.

Who could be behind these organizations? I propose a theory: Since the fall of socialism, the most powerful in the United States, or a faction of that group, no longer has dangerous enemies in the world. Why not give free rein to their ideas? Why not strengthen their positions? Why not form a strong extreme right that seeks to consolidate U.S. domination of the world, the base of the popular dream of the U.S. century? Why allow economic deterioration and competition to impede the realization of this dream if they are the main military force of the planet?

We have seen an increase in right-wing ideas in the United States over the past several years. We recall, for example, the eight years of Ronald Reagan's government and liberal politicians' attempts not to appear as such. We think about President Clinton's tendency to be a political centrist, not because he wants to but because it is part of the process of adapting to the new situation.

I ask myself: What is the Helms-Burton bill if not an expression of the fascist ideas of several U.S. politicians and a reflection of the absolute disregard they have for the sovereignty and independence of other peoples? Personally, I am under the impression that the new right, whose members hold significant positions in the legislature, bear indirect responsibility for the attack in Oklahoma City because one cannot go on promoting hatred without paying the consequences. It would be most dangerous if these tendencies continue without interference by the most progressive forces and the people of the United States to stop them. Time will tell.

GRANMA Warns of Dangers of U.S. 'Ultraconservative Forces'

PA3004215895 Havana Radio Havana Cuba in Spanish 0000 GMT 30 Apr 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The Helms-Burton bill to tighten the blockade against Cuba will adversely affect U.S. assets confiscated on the island while making an understanding between the Washington and Havana governments more remote.

An article published this Saturday in GRANMA, the official organ of the Communist Party of Cuba, warns that no one in his right mind will support the reclamation through military force of U.S. properties legally confiscated in Cuba. GRANMA added that no one will accept the break in the equilibrium between the three state branches—legislative, judicial, and executive—in the United States, as ultraconservative forces in that country desire.

According to GRANMA, the Helms-Burton Draft Bill is a basic part of an extremist trend expressed at various levels to undermine the authority of the U.S. Federal Government. In addition to depriving the government of its historic attributions, it would place the White House in a weak position before its spokesmen and allies.

We will have to see how Washington faces this move, because there are no significant political differences among the terrorists of the Michigan Militia connected to the Oklahoma bombing, legislators Helms and Burton, and the counterrevolutionaries of Cuban origin in Miami.

One paragraph in the GRANMA article warned of the intentions of the congressional initiative against Cuba.

Commentary on Social 'Imbalance' Within United States

PA3004210395 Havana Radio Havana Cuba in Spanish 0000 GMT 30 Apr 95

[Station commentary read by Norberto Hernandez, from the "Evening Information Review" newscast]

[FBIS Translated Text] The influential U.S. daily THE NEW YORK TIMES recently wrote about a study to be released in the near future with compelling figures that demonstrate that the differences among the economic classes in the United States are much greater that in any other developed nation. The study in question states that in 1989, only 1 percent of U.S. homes owned almost 40 percent of the country's wealth. This is a truly unbalanced opulence when the growing worldwide poverty level is taken into account. The average worth of each of these privileged U.S. homes was estimated at $2.3 million per family.

Another outstanding piece of information states that 20 percent of the more wealthy homes own 80 percent of the nation's total wealth. These figures have no parallel with any other nation, despite the very large differences in wealth distribution found elsewhere. Be it as it may, these are capitalist nations and these are their ground rules.

Expert Edward Gold, a professor at the State University of New York and author of two of the two economic probes in question, told the New York paper that the United States is the industrialized nation that displays the most

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unbalanced accumulation of wealth. This internal difference is showing a strong tendency to increase. Another expert, Timothy Smith, said that the income distribution in the northern nation is more unequal than in other countries.

The two experts try to explain the phenomenon with statistics, without even a hint of what the world knows as social justice; that is, that everyone should receive part of what society produces, in accordance with their contribution and their nature as a human being. In no way is it fair to promote egalitarianism, which is a system that believes that everyone has exactly the same right to social products. That is also clearly unfair. By the same token, it cannot be legal for a small minority of society to horde such a disproportionate share of what so many others helped to produce and which could never have been achieved without the contribution of the majority of society. This is what is unfair and condemnable: that so few have so much and that an enormous majority has to resign itself to live below what is known as the poverty line and on the verge of hunger and destitution.

Such is the world situation in this regard that an international summit was called in Copenhagen to address this already alarming problem of the disproportionate growth of poverty. If we wished to find a just solution to this problem, we could not ask the United States to solve the problem it suffers within, because that is their absolute authority. Whether the population of the United States agrees with the situation or not, it is their own business to accept it or to fight to change it. This, however, is almost the same all over the world, because of the U.S. hegemony and its policy of imposing its economic and political ideas on the rest of the world. It is these same ideas that have caused such a dramatic imbalance in its own national situation.

The ever increasing millions of disinherited citizens all over the world have the right to struggle and to put an end to the injustice that submerges them into destitution. They also have the legitimate right to demand respect for their self-determination, independence, and sovereignty, especially when they want to build a just society with solutions or the possibility to find solutions to their social and economic problems. This is the case of Cuba, for example, where such social and economic differences as these do not exist, because its people have decided so and want to keep it so. Furthermore, they want to achieve even better standards for everyone. This is why 11 million Cubans reject the U.S. intervention in their internal affairs.

Spokesman Rejects U.S. 'Intervention' in Judicial System

PA2804164595 Havana Radio Havana Cuba in Spanish 1300 GMT 28 Apr 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuba has rejected U.S. intervention in its judicial system in view of the recent statements made by U.S. State Department Spokesman Nicholas Burns with regard to the sentence handed down in Havana against Cuban citizen Francisco Chaviano.

Cuban Foreign Ministry Spokesman Miguel Alfonso, pointed out that Burns' statements are evident intervention in Cuba's internal jurisdiction and the manner in which the penal process is organized on the island. Alfonso said that Burns must first ask himself whom he is defending and what crimes he is somehow protecting.

If we were to speak about prison conditions or trial guarantees, for every case that Burns talks about, we could mention tens and even hundreds of cases in the United States that have even been denounced by international organizations.

Cuban citizen Francisco Chaviano was tried and sentenced to 15 years in prison for issuing forged documents to Cuban nationals interested in claiming alleged political persecution before the U.S. Interests Section in order to emigrate to that northern nation.

Foreign Ministry Spokesman's News Conference Summarized

FL2804131195 Havana Tele Rebelde Network in Spanish 1630 GMT 27 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] The Foreign Ministry spokesman has held his regulary scheduled Thursday [27 April] news conference.

The spokesman reported that Foreign Minister Roberto Robaina will visit several former Soviet nations, including Ukraine, Belarus, and Russia. It is possible that he will visit several Anglo-Caribbean nations beforehand. He has already visited several other Caribbean islands.

In the domestic arena, the Bolivian foreign minister is expected in Cuba on 7 May. Members of France Libertes, headed by Danielle Mitterrand—the French president's wife—and the governor of Leningrad province [as heard] are also expected to visit Cuba.

Finally, there was mention of the diplomatic corps touring Havana Province. Approximately 34 heads of diplomatic missions accompanied Robaina on a tour of the central provinces of Villa Clara, Sancti Spiritus, and Ciego de Avila. The tour was very significant and allowed the diplomats to see for themselves what is being done in each province to overcome special period difficulties. The goal of these visits is to allow the ambassadors to become familiar with Cuba's reality and all its defects and virtues, as Robaina said in Ciego de Avila. The visits allow them to reach their own conclusion on what is being done beyond Havana City borders. In this regard, the honorary consul from Cyprus said yesterday that any ambassador who does not go outside of Havana does not really know the efforts the Cuban people are making to overcome the special period. The diplomats stopped at many interesting sites. Miguel Diaz-Canel, first secretary of the provincial Party

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leadership in Villa Clara Province, briefed them at length in Villa Clara. The stops included markets and boulevards. Stops in Ciego de Avila—some late at night—included tours of several oil wells. The ambassadors showed great interest in Ciego de Avila oil production, as well as in the tour of Ciego de Avila.

Vice Foreign Minister Welcomes Visiting Leningrad Governor

PA2904035695 Havana PRENSA LATINA in Spanish 2130 GMT 27 Apr 95

[FBIS Translated Text] Havana, 27 Apr (PL)—Isabel Allende, Cuban vice foreign minister, welcomed Leningrad Governor Alexander S. Beliakov to this capital today. Allende and Beliakov exchanged views on bilateral and international issues.

Vasili V. Ivanov, president of the Legislative Assembly of Leningrad Province, and Vladimir N. Vorozheikin, president of the Antimonopoly Committee, comprise the Russian delegation visiting Cuba at the invitation of the Cuban parliament.

Anatoli A. Ledovsky, chief of the regional administration of Gatchenia, and Olga V. Goishnok, deputy chief of the regional administration of Lamanosov, are also members of the delegation.

The meeting with Allende took place in a cordial and friendly atmosphere and focused on bilateral relations and international affairs, official sources disclosed.

Beliakov and his entourage arrived in Cuba on 21 April and will leave on 2 May, after fulfilling a busy work program.

Moments before being greeted by the Cuban vice foreign minister, the Russian delegation met with Tomas Panizo, Cuban vice minister of the sugar industry. On this occasion, Beliakov stressed his country's need to maintain Cuba's import of crude.

Beliakov said the price of sugar is increasing within Russian territory because of the purchase of that product in the international market.

Governor Rejects Helms-Burton Bill

FL2904175295 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Apr 95

[From the "Exclusive" program]

[FBIS Translated Text] Leningrad Governor (Aleksandr Kalikhov) stated that that province would continue its ties with Cuba despite the Helms-Burton Bill. In the fourth day of his visit to Cuba, (Kalikhov) held a fraternal meeting with Sergio Corrieri, president of the Cuban Institute of Friendship with Peoples, to whom he expressed his rejection of the anti-Cuban bill that seeks to intensify the blockade. Among the Leningrad delegation are members of various sectors, who hope to sign letters of intention with the People's Government's Provincial and Municipal Assemblies.

UK Spokesman Cited on Trade Plans, U.S. Blockade

FL2804131995 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 28 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] The British Government has made clear its intention to trade with Cuba, despite the maneuvers of and pressure from Washington. An Industry and Commerce Department spokesman said in London today that the British Government will continue to trade with Cuba and that it does not recognize the U.S.-imposed blockade against the island. The British Commerce Department spokesman told ANSA that it is illegal for British or international enterprises or subsidiaries of U.S. firms to respect U.S. law regarding the blockade of Cuba. The spokesman said that it is important that British businessmen trade with Cuba, since other European nations trade with Cuba.

Trade Minister Says Nation's Banking System Needs Reform

OW0105074395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 May 95 Morning Edition P 9

[FBIS Translated Text] On 30 April in Tokyo, Ernesto Melendez, Cuban State Committee for Economic Cooperation president minister, during a NIHON KEIZAI SHIMBUN interview, said Cuba plans to enact a new law to improve its system of domestic banking within the year. This law will focus on strengthening the domestic economy's foundation by such measures as strengthening the Cuban peso, and improving the conditions for facilitating the introduction of foreign capital. Cuba also plans to promote the restructuring of the entire banking system, including expanding and improving banking operations.

Melendez said the banking system improvement plan aims at "strengthening the national bank's role and improving banking operations to flexibly deal with diversifications in the domestic economy."

Cuba needs to control the circulation of the peso and other currencies so as to improve its purchasing power. It also has to deal with the issue of strengthening the role of the Bank of Cuba as the central bank.

As a result of steps taken by the government, such as shifting the management of farm land from the state to cooperatives and introducing an independent accounting system to enterprise management, reforms are in progress and economic activities have become more complicated. Consequently, there is a need to create a new framework for fund raising through banks, aside from depending on the national budget.

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Roundup of Economic Developments

FL2904000895

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 28 April.

Guantanamo Province emerged on 22 April as the second province to meet its sugar production goal, meeting this goal for the first time since the 1991-92 campaign despite heavy rain damage to roads in November 1994 and other difficulties. Workers are now turning their attention to the sugarcane, coffee, and cacao harvests. (Havana Radio Rebelde Network in Spanish 1700 GMT 22 Apr 95)

The Construction Ministry reports that Havana Province construction workers have increased productivity and recorded 100,000 pesos in earnings. The Havana-Matanzas bypass canal is just one of the workers' major accomplishments. The canal is 36 kilometers long, cost 50 million pesos to build, and will supply Havana's agricultural sector with water. Initial tests have been successful, and it is expected to be fully operational soon. (Havana Radio Rebelde Network in Spanish 2300 GMT 24 Apr 95)

Havana farmers markets have sold over 116,000 quintales of products worth about 32 million pesos since they were established in October 1994. (Havana Radio Rebelde Network in Spanish 0900 GMT 27 Apr 95)

The Cuba-United States Medical Project has donated approximately $600,000 worth of medical supplies to the Cuban Red Cross. This is the organization's sixth donation and includes a $25,000 electroencephalogram machine, antibiotics, and other medicines. (Havana Radio Rebelde Network in Spanish 2300 GMT 26 Apr 95)

Ciego de Avila farmers markets have sold goods worth over 17 million pesos since they opened. Although prices have remained stable, some products are in short supply. (Havana Radio Reloj Network in Spanish 1407 GMT 28 Apr 95)

Las Tunas Province sugarcane workers met their monthly goal in April by tending 3,100 caballerias, which means 85 percent of cut areas have been prepared for planting. Over 5,400 caballerias have been prepared since January, although extreme drought has affected planting. Workers from eight municipalities manually weeded over 3,700 caballerias in April and applied herbicides to other areas. Fertilization and irrigation are the most important tasks to achieve target yields. (Havana Radio Reloj Network in Spanish 1935 GMT 28 Apr 95)

Guantanamo construction workers have presented 30 new homes to 30 families left homeless by heavy rains over the last two years. Almost 120 homes have been completed in Cifuentes, in the northern part of Guantanamo City. A total of 600 homes are expected to be completed by 26 July 1995. (Havana Radio Reloj Network in Spanish 1952 GMT 28 Apr 95)

Roundup of Politburo Members' Activities

FL2904000595

[FBIS Editorial Report] The following is a compilation of reports on the activities of members of the Cuban Communist Party Central Committee Politburo monitored through 28 April.

Jose Ramon Balaguer has presided over a ceremony in Bayamo, Granma Province, honoring Carlos Manuel de Cespedes. Wreaths were laid at the Cespedes monument. (Havana Radio Rebelde Network in Spanish 0900 GMT 19 Apr 95)

Jose Ramon Balaguer has met Chinese Ambassador to Cuba Xu Yicong in Granma Province. (Havana Radio Rebelde Network in Spanish 1155 GMT 24 Apr 95)

Yadira Garcia has said that the main goal during the sugarcane harvest is to increase the amounts of cane ground every day. Garcia also highlighted the importance of manual cane cutting. (Havana Radio Rebelde Network in Spanish 0900 GMT 19 Apr 95)

Yadira Garcia has participated in a ceremony in Matanzas Province marking the Bay of Pigs anniversary. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Apr 95)

Pedro Ross Leal has chaired a ceremony in Regla, Havana, honoring Vladimir Ilich Lenin as part of festivities marking 1 May. (Havana Tele Rebelde Network in Spanish 1630 GMT 22 Apr 95)

Pedro Ross Leal has participated in a CTC meeting on the 1 May celebrations that will take place at the Jose Marti monument, in Havana's Central Park. A parade of 3,000 workers will end there. (Havana Radio Rebelde Network in Spanish 1700 GMT 26 Apr 95)

Pedro Ross Leal has said that Cuban tobacco workers have increased their efforts to obtain 60 million units of tobacco for export as a salute to 1 May. (Havana Radio Reloj Network in Spanish 1936 GMT 26 Apr 95)

Pedro Ross Leal and Esteban Lazo have participated in a meeting of the Cuban Workers Federation's (CTC) provincial committee in Havana City Province. Lazo stressed the need for order and discipline and to increase efforts against crime, as well as the importance of solidarity and cooperation. Ross said that Havana City CTC members are ready to confront any productive task and imperialism in Cuba's defense. (Havana Radio Rebelde Network in Spanish 0900 GMT 21 Apr 95)

Esteban Lazo has participated in a meeting on agricultural production in Havana City Province, where it was reported that miscellaneous crops production doubled in the first trimester of 1995 when compared to the same period in 1994. However, harvest and milk production figures reportedly remain unsatisfactory. (Havana Radio Reloj Network in Spanish 1755 GMT 24 Apr 95)

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Alfredo Jordan attended the opening of a Tropical Agricultural Basic Research Institute seed laboratory in Havana on 19 April. (Havana Radio Reloj Network in Spanish 1947 GMT 19 Apr 95)

Alfredo Jordan has noted distinct progress in the cattle industry recovery process and growth in the mixed crops enterprises during the first trimester of 1995. (Havana Radio Rebelde Network in Spanish 1155 GMT 24 Apr 95)

Carlos Lage and Alfredo Jordan have concluded their tour of Ciego de Avila Province. They priased efforts to harvest 1 million quintales of potatoes, which will be destined for Ciego de Avila and Santiago de Cuba Provinces. Lage and Jordan visited other facilities, including a block factory and several organic farms. (Havana Radio Rebelde Network in Spanish 1700 GMT 21 Apr 95)

Roberto Robaina and Alfredo Jordan have accompanied diplomats accredited to Cuba on a tour of Ciego de Avila and Sancti Spiritus Provinces. (Havana Radio Rebelde Network in Spanish 2300 GMT 25 Apr 95)

Jose Ramon Machado Ventura has concluded his tour of Holguin Province's 10 agroindustrial complexes. He was briefed on preparations for the upcoming planting campaign. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Apr 95)

Jose Ramon Machado Ventura and Nelson Torres have participated in an activity marking the conclusion of the sugar harvest in Santiago de Cuba Province. (Havana Radio Rebelde Network in Spanish 2300 GMT 20 Apr 95)

Jose Ramon Machado Ventura has written workers participating in the tomato campaign in Pinar del Rio Province, praising their efforts to reach their goals despite heavy rains at the beginning of 1995. (Havana Radio Reloj Network in Spanish 1753 GMT 24 Apr 95)

Jose Ramon Machado Ventura has attended a ceremony at the Cuban Communist Party's Nico Lopez School marking the 125th anniversary of Lenin's birth. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 Apr 95)

Radio Headlines From 'First Thing' Program

FL2804143795 Havana Radio Progreso Network in Spanish 1100 GMT 28 Apr 95

[From the "First Thing" program]

[FBIS Translated Text] And now a summary of the most important news:

—Over 200 delegates from approximately 15 countries will attend May Day festivities in Cuba, among them Antonio Nieto, president of the World Trade Organization.

—Next year's 17th congress of the Cuban Workers Federation [CTC] will focus on labor force reorganization according to statements made in Villa Clara by CTC Secretary General Pedro Ross.

—Gold medals and certificates of quality were presented for 39 products from 14 countries in the award ceremony held at the 7th International Health for All Fair which was chaired by Carlos Lage, vice president of the Council of State, at the Convention Center.

—The Nonaligned Movement reiterated its rejection of the U.S. blockade against Cuba at the closing of the foreign minister's coordination council meeting in Bandung, Indonesia.

—The president of the World Trade Centers, the largest global trade network, expressed his hope that the bill by U.S. Senator Jesse Helms to strengthen the blockade against Cuba will be defeated.

—Cuba has rejected the meddling of the United States and its judicial system in connection with recent statements by State Department spokesman Nicholas Burns, regarding the sentencing in Havana of Cuban citizen Francisco Chaviano.

—Radio Havana Cuba is and will always be part of that David sling with which we have battled the Goliath of media and information multinationals. This was stated in Havana by Jesus Montane, member of the Commander in Chief's Coordination and Support Staff, during the ceremony marking the 34th anniversary of that shortwave station.

—From 2 May to 1 June, the voter registration lists will be posted nationwide in preparation for the People's Government elections at municipal level on 9 June.

—Ecuador and Peru began yesterday the fifth phase of withdrawal from the Condor Range, which, between January and February, was the scene of territorial fighting between the nations.

—A letter of intention for the development of public health programs in the federal district of Brasilia was one of the main outcomes of the five-day official visit to Cuba conducted by a parliamentary delegation from Brasilia, headed by Deputy Governor (Arnel Avilar Masfallo).

—Over 1 million people are expected to attend the cultural, sports, and recreational festival on Havana's waterfront in connection with this weekend's Montecristo Speedboat Race.

—Legislators and high-level U.S. Government officials are advocating quick passing of a tough anti terrorist law to curb violent crimes or attacks such as the one in Oklahoma City.

—The Cuban Movement for Peace and the Sovereignty of the People has condemned the high degree of criminality and danger of hundreds of far right groups in the United States, in connection with what it described as the brutal murder of dozens of innocent Americans in the Oklahoma bombing.

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—On 19 May, Foreign Minister Roberto Robaina will travel to the former Soviet republics of Ukraine, Russia, and Belarus in an effort to strengthen ties with Cuba.

—Politburo member Esteban Lazo has urged the representatives of the Cuban Council of Churches to denounce and condemn the Helms- Burton bill and to contribute to the success of the forthcoming People's Government elections by encouraging participation.

—In Havana, Vice Foreign Minister Isabel Allende meets with Aleksandr Velikhov, governor of the province of Leningrad, with whom she discussed bilateral and international issues.

—Las Palmas International Fair in the Canary Islands, observed Cuba's day with an extensive sampling of its foreign trade and tourism options.

Electricity Generating Capacity Figures Updated

FL2804225395 Havana Radio Reloj Network in Spanish 1941 GMT 28 Apr 95

[FBIS Translated Text] Electricity generating capacity averaged 1,602 megawatts, with a maximum demand of 1,862 megawatts—resulting in a deficit of 260 megawatts—20-27 April. This balance reflects equal increases in generating capacity and maximum demand compared to the previous period. The number of shutoffs was the same during both periods. Generating capacity is expected to be 1,640 megawatts, with a maximum demand of 1,850 megawatts—leading to a deficit of 210 megawatts—27 April-3 May. The 50-megawatt generator No. 4 at the Maximo Gomez power plant, in Mariel Municipality, Havana, will be off line during this period for repairs.

CTC Official on Realignment of Labor Force

PA3004005895 Havana PRENSA LATINA in Spanish 1445 GMT 29 Apr 95

[FBIS Translated Text] Havana, 29 Apr (PL)—Pedro Ross, secretary general of the Cuban Workers Federation (CTC), has reiterated the country must inevitably turn to a realignment of its labor force but has denied this implies the unemployment of hundreds of thousands of wage earners.

In a statement published today by GRANMA, the official newspaper of the Communist Party of Cuba (PCC), Ross has denied approximately 600,000 people will end up jobless and without any means of support as a result of the realignment process, which he believes has been given a narrow interpretation.

Referring to comments made by President Fidel Castro on that issue, the union leader has urged administrators to "rack their brains in looking for new job sources," a concept we defend, because it expresses a just principle the revolution has always defended, Ross has said.

The search for efficiency and competitiveness is linked to all workers having a useful and productive job. Wealth comes from work. We must appeal to men if we hope to seek wealth, Ross has said.

Ross has said a solution to the problem must be found in the middle of Cuba's economic difficulties. According to Ross, the problem is not only jobs but raw materials and oil, because factories must first start operating, and then the work force must be realigned to make it efficient.

Ross gave as an example the process of managerial improvement implemented a few years ago by the Revolutionary Armed Forces (FAR), in which 30,000 people had to be moved. Eighteen thousand workers were left jobless. Only 200 remain to be placed today, because the others have found a useful job.

Ross has warned that realignment, in essence, is aimed at the managerial, bureaucratic, internal services levels, because workers in general are needed on the production line,

According to Ross, elementary school teachers, teaching assistants, librarians, nurses, health technicians, and people in other professions and jobs are needed. Those positions could be filled by qualified workers after going through a reevaluation process.

Among the sectors having a labor force deficit, Ross mentioned agriculture, sugarcane and nonsugarcane, which could absorb half a million wage earners, community services, aqueducts and sewers, tourism, and all the factories and workshops that produce for that sector.

In addition, Ross mentioned the medical-pharmaceutical industry, which has been prioritized in Cuba and is in need of workers on the production lines.

Correction to General Rosales Address

FL2704193895

The following correction pertains to the item headlined "General Rosales Militiamen's Day Address," which appeared in the 27 April Latin America DAILY REPORT, page 4:

Colomn two, paragraph six, last sentence make read: ...theater of operations: We dug 40 kilometers more in tunnels in 1994 than in 1986, when... (rewording for clarity)

Page five, colomn one, paragraph one, sentence one make read: ...the CIA organized in the six provinces that we had at the time, particularly in the... (rewording for clarity)

Haiti

Aristide Abolishes Army, Vows To Step Down on 7 Feb 1996

PA2804212595 Port-au-Prince Radio Metropole in French 1600 GMT 28 Apr 95

[From "The Midday Newscast"]

[FBIS Translated Text] Let us begin by telling you that Jean-Bertrand Aristide, the head of the Haitian state, today officially announced the abolition of the Army.

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Jean-Bertrand Aristide made this announcement this morning at the National Palace. Rothschild Francois Junior has a live report from the National Palace:

[Francois] First, I should tell you that President Aristide is meeting with former President Oscar Arias, who came to unveil the results of a survey conducted by a Costa Rican firm [words indistinct] the Haitian Army. The results of the survey were announced this morning by Oscar Arias, former Costa Rican president. The results show that 62 percent of the population opposes the Army, while some [number indistinct] percent favors the existence of the Army. Therefore, the majority of the people oppose the Haitian Army. About 1,500 people were questioned in this survey conducted by a Costa Rican firm.

President Jean-Bertrand Aristide gave a speech of praise. He stated that he saluted this survey conducted by this Costa Rican firm in Haiti on behalf of the Oscar Arias Foundation for Peace. Later, when the president was asked whether he supported or opposed the Army, he said, and I quote: As of now, the Army no longer exists. There will be no Army of 1,500 men.

The president said he was awaiting parliament's decision on the matter. For him, however, the Army no longer exists. There will be no Army of 1,500 men. Regarding the members of the interim force who will be integrated into the new police force, the president let it be known that some policemen could be integrated into the new police force. [Words indistinct] in their task within the interim police force.

These were statements made by President Aristide during his news conference with former Costa Rican President Oscar Arias, who is in favor of dissolving the Haitian Army. The results of the survey conducted by the Arias group have proven the Haitian people oppose the Army and favor a new form of police in Haiti.

At his news conference, the president also said he would step down on 7 February 1996 and another president should take over the duties at the National Palace. This is Mobile 20 reporting for Radio Metropole.

Aristide Urges Demobilized Soldiers To Bolster Security

PA2804223795 Port-au-Prince Signal FM Radio in French 1030 GMT 28 Apr 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] For more than two hours on 27 April, President Jean-Bertrand Aristide met with about 50 demobilized military personnel whom he invited to the National Palace in Port-au-Prince to discuss their contribution in the struggle against security threats and to whom he guaranteed the granting of a new pay. The former military personnel, members of the Rally of Demobilized Military [Rassemblement des Militaires Demobilises, RAMIDEM], said the president was not responsible for the break up of the Haitian Army, which they blamed on their former ranking superiors. Several speakers condemned the 30 September 1991 coup d'etat that overthrew President Aristide, and they painted themselves as victims of the military hierarchy.

All of the former military personnel highlighted their serious financial difficulties as mere soldiers facing familial obligations, and they promised to help the head of state in the struggle against insecurity. Side with me in putting an end to banditry, Aristide told them, and he pointed out that he needed courageous men who know the prescription for curing the sickness of insecurity. [passage omitted]

[Begin unidentified reporter recording, in Creole] It is true that the Army's car has crashed and shattered, according to President Aristide, but fortunately the passengers are still alive. The president told the demobilized military personnel that, if they join hands to help the government put an end to insecurity, it will be something good—something, he said, that will help ease the people's suffering. [passage omitted] [end recording]

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Zedillo Comments on Political, Social 'Backwardness'

PA3004191095 Mexico City NOTIMEX in Spanish 2040 GMT 29 Apr 95

[FBIS Translated Text] Mexico City, 29 Apr (NOTIMEX)—Mexican President Ernesto Zedillo admitted today his country's backwardness in politics and social issues. However, he afffirmed that he is struggling to establish a more democratic political life and achieve the social justice demanded by the people.

Presiding over a meeting at the International Forum on Women, the Mexican president told 125 delegates from 12 countries that his government is working "with a long-term vision, because that is how nations that want to survive, like Mexico, should do."

"That long-term vision corresponds to that of a democratic country where social justice prevails and where the enormous disparities and differences are reduced, a country with a prosperous economy where law and the state of law prevail," Zedillo remarked.

During the meeting, held in Los Pinos official residence and accompanied by his wife Nilda Patricia Velasco de Zedillo, the president highlighted "the great strength and firmness" with which Mexicans have faced the difficult economic situation of the country.

Zedillo explained that "today we can see the first signs that we are going to overcome this crisis shortly and that we will soon be working on medium-and long-term objectives."

Commenting on the role of women in the economic, social, and political scene, Zedillo said that despite the progress made by Mexican society in the last 40 years, inequality, unfairness, and injustice against women still prevail.

"This is one of the serious deficiencies we have in Mexico, one of the most serious weaknesses thaht we must overcome in the new few years. Should this not be done, the profound inequalities and differences prevailing in Mexican society will worsen," he explained.

He added that "if Mexico wants to create a just society, it should work so that women can assume their legitimate place in the political, social, and economic life.

Zedillo said that to achieve that objective, the country should strengthen its democratic life. "Only through an intense participation and intense democratic competition will possibilities open up so that women can have what legitimately belongs to them."

The Mexican leader termed decisive the participation of women in national development and said that their activities should not be limited to participating in such forums as the International Forum on Women.

Zedillo thanked the delegates for their presence in Mexico and stated that they "are prominent in their nations in different aspects of the economic, social, and political life so their visit to the country takes place at a particularly interesting time."

"I want to reiterate to you as president, as a citizen, as the son of a working mother who struggled throughout her life, and as husband, that my commitment is firm, that your cause is mine, and that said cause will result in actions in favor of women's rights," President Ernesto Zedillo concluded.

Secretary on Dialogue as Means of Achieving Transformation

PA3004005995 Mexico City Radio ACIR Network in Spanish 0000 GMT 29 Apr 95

[Report by Juan Carlos Escobedo from the "Evening News Panorama" newscast—passages within quotation marks recorded]

[FBIS Translated Text] Government Secretary Esteban Moctezuma has reaffirmed dialogue as the government's primary means of achieving democratic transformation and facing the change in peace and concord. He has opened a forum on the State of Law and the Federal Constitution, with a view to making them part of the National Development Plan. This forum is the last of several that has studied the sense and scope of the democratic method of consultation, which, according to the government secretary, forges the asis on which to govern.

The Government Secretariat has organized a total of 20 forums that have addressed a number of various issues over the last few months. The government secretary has said this consultation process has demonstrated that the policies of a democratic government must always be defined collectively:

[Moctezuma] "A democratic government summons participation, commits itself to the paths of dialogue, and founds its policies on consensus. A democratic government explains the reasons for its authoritative actions, without fearing the community's scrutiny. A democratic government always speaks with the truth."

Answering his own question on dialogue and consultation, the government secretary said: It allows the government to complete its basic duties more efficiently, without facing confrontation. He has said the people have given President Ernesto Zedillo a mandate for peace and democracy, which are, in actuality, a demand. In this context, consultation and participation are the axis for the political modernization of the nation:

[Moctezuma] "It is no longer possible nowadays to draw up centralized plans, programs, or policies or to impose them by force. The people do not want this, and the Zedillo administration would never accept them. The challenge we are now facing is to achieve a peaceful change, guided by consensus, ruled by democracy and aimed at justice."

As a result of these forums, 2,000 topics were discussed, and more than 30,000 people from various walks of life

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have participated. Summarizing the results, the government secretary highlighted the fact there are many points of agreement, such as political reform, national integrity and sovereignty, new federalism, the separation and balance of government powers, honest public administration, and means for social participation.

Senate Approves Foreign Investment in Gas Distribution

PA3004164995 Mexico City NOTIMEX in Spanish 0021 GMT 30 Apr 95

[FBIS Translated Text] Mexico City, 29 Apr (NOTIMEX)—The Mexican Senate approved today the amendments proposed by the executive to allow the participation of local and foreign investors in the distribution, storage, and sale of natural gas in the country.

The presidential initiative to modify the regulatory law of Article 27 of the Constitution was approved by 90 votes in favor, three against, and one abstention, legislative sources reported.

The votes in favor were cast by legislators of the governing Institutional Revolutionary Party (PRI) and National Action Party (PAN,) the second ranking political force in the country.

The senators of the Party of the Democratic Revolution (PRD) voted against the amendments and the abstention vote was cast by PRI Senator Layda Sansores.

PRI Senator Judith Murguia Corral asserted: "The modifications do not break the constitutional framework or the history or legal, political, and social tradition of oil."

Chamber Approves Reforms of Article 27 of Constitution

PA2904233595 Mexico City EL FINANCIERO in Spanish 28 Apr 95 p 30

[Report by Victor Gonzalez and Victor Chavez]

[FBIS Translated Text] Last night, during a session in which PRI [Institutional Revolutionary Party] and PRD members quoted Lazaro Cardenas, the Chamber of Deputies approved reforms to Article 27 of the Constitution by a majority vote of 360 in favor and 66 PRD [Party of the Democratic Revolution] votes against. Following an internal vote that caused a rift. PAN [National Action Party] members finally agreed to approve the proposal, but subject to modifications to control the executive branch with "more effective" regulations. The condition was accepted.

What was expected to be a tumultuous session turned out to be a debate exclusively centered on the arguments. At the conclusion of the debate, when the final vote was taken, half the PRD deputies stood at the foot of the rostrum and pulled out signs expressing their final position: "Do not blame us for selling the country. We voted against."

The PRI acknowledged during the debate, however, through its spokesman, Herbert Galindo, that "the proposal, which concerns us, deserves our approval, because it will foster investments, generate more jobs, and help us overcome the economic crisis in a shorter period."

The PRD rejoined, and Deputy Ifigenia Martinez said the measure to privatize the transportation, storage, and distribution of gas meant turning those resources over to foreign capital. The antinational and depredatory management of PEMEX, which has been the victim of serious tax evasions, wasteful spending, and misappropriation of funds, will continue.

PAN Asks For a Revision of Structures

Acknowledging that strategic areas should be the property of the state, PAN member Carlos Nuno urged a review of the structures of state organizations in the energy sector so as to make them operate efficiently, to eliminate the corruption prevailing in them, and to depoliticize their operation.

During the debate, which lasted almost eight hours, the PRI insisted this "(privatization) is an act of national sovereignty and security that will certainly guarantee we will not have to import gas for national development. Nothing is being privatized. PEMEX is not being sold. No state-owned asset is being given away. Its only intention is to foster the growth of the oil industry to improve the well-being of Mexicans," Tabasco Deputy Oscar Canton Zetina said.

Making an "unbiased" analysis of the nations's gas situation, PRD member Francisco Curi, president of the Energy Commission, warned of the risks of the gas pipelines "coming from the north," the reason why he insisted on avoiding that kind of situation.

In this regard, Raul Ojeda, coordinator of the Tabasco PRI deputies, said he was against allowing foreign investments in the pipeline operations.

Later, PAN member Juan Antonio Garcia Villa presented a motion to modify the proposal, to make clearer the participation of the states and municipalities in gathering local taxes and clearing up the issue of concessions, making the operation of the authorized companies stricter. The motion was finally approved.

At the conclusion of the debate, the four factions reached an agreement so PEMEX can initiate the exploitation of oil resources in northern Mexico and stop over exploiting its resources in the southeast.

First Quarter Trade Balance Results in $88 Million Surplus

PA2904023695 Mexico City NOTIMEX in Spanish 2009 GMT 28 Apr 95

[FBIS Translated Text] Mexico City, 27 Apr (NOTIMEX)—Government sources have reported that

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Mexico's trade balance for the first quarter of 1995 ended with a surplus of $88 million, resulting from a 32 percent increase in exports.

Deputy Secretary of Commerce Eugenio Carrion has said the trade balance, according to figures reported by the Bank of Mexico, registered a $618 million growth during February and March, after January's $530 million deficit.

The official has told the press the resulting equation produced a $88 million surplus, which contrasts with the $4.084 billion deficit registered during the same period in 1994.

Carrion has said exports increased 32 percent for a total of $18.172 billion, while imports grew 0.1 percent, totaling $18.084 billion.

The deputy secretary believes currency devaluation contributed to these results by improving Mexico's competitive export edge abroad and by reducing imports.

Mexico was able to make the most out of this advantage because its production sector is in a better position. He has said the exporting market has benefited from free trade policies and commercial agreements signed by Mexico.

According to the official, exports to the United States during the first two months of the year reached $9.5 billion, a 32 percent increase over the first quarter of 1994. Of that amount, 74 percent belongs to the manufacturing sector.

Expanding on the issue of U.S. imports, carrion has said such transactions during the first two months of 1995 totaled $7.4 billion, a 1.4 percent drop and a $2.1 billion surplus.

The deputy secretary of commerce has said the auto industry indicated the most activity among Mexico's export goods during the first months of 1995, due primarily to vehicle exports, which totaled more than $960 million.

Auto sales increased 66 percent over the first two months of 1994, while engine exports increased by 97 percent during the same period.

Electronics enjoyed an almost 100 percent increase in radio communications equipment. Television sets rose by 25 percent, and electric transformers grew by 34 percent.

The same applies for steel and iron component parts, which increased foreign sales by 116 percent. Tailored suits rose 66 percent, and beef and livestock increased 56 percent.

Bilateral trade with Canada also grew by 32 percent during January and February. Mexican exports totaled $597 million, a 33 percent increase over 1994.

Imports from Canada into Mexico totaled $135 million, a 27 percent increase over last year.

Carrion has also said the main exports to Canada during the first two months of the year were mechanical and electrical equipment, machinery, minerals, and oil.

Regarding Chile, the official has said the trade balance increased 32 percent in 1993 and 49 percent in 1994. It recorded a $30.5 million surplus last year.

Approximately 700,00 Families Could Lose Homes

PA2904233495 Mexico City REFORMA in Spanish 28 Apr 95 p A-22

[Report by Diego Ayala]

[FBIS Translated Text] Approximately 700,000 families throughout the country could lose their homes in the next few months, because they are unable to pay their home mortgage loans, the debt of which is approaching 30 million new pesos, said Victor Blake, leader of the Citizens's Economic Protection [Proteccion Economica Ciudadana] (PECAC), an association of a group of 215 mortgage holders who are dissatisfied with their situation.

Blake added that he is credited 400 new pesos in interest each day for every 100,000 new pesos he owes.

PECAC, an organization founded three weeks ago, will ask the Finance Secretariat to resolve the issue of home mortgage loans, because many holders are unable to pay. PECAC will propose a bill through the Labor Party to stop banks from taking advantage of a situation the mortgage holders did not provoke.

PT [Labor Party] Deputy Oscar Gonzalez has said they will demand that banking authorities and the Mexican Association of Bankers refinance mortgage loans in UDI's [investment units] at an actual rate of 10 percent.

"There are no legal considerations today for mortgage loans. It cannot be that the only ones who continue to benefit from this situation are bankers and owners of large capital sums," Gonzalez has said.

Included in PECAC's proposals is the increase of monthly payments vis-a-vis increases in the minimum wage, that the bank become co-owner of the building in proportion to the debt, that a period be agreed to sell the property, and that interest rates be capped at 25 percent.

"We are trying to find solutions that will benefit the financial institutions as well as the debtors," Blake has said.

Should one go to trial and lose, PECAC suggests a one-year period to vacate the premises without having to pay anything during that period.

"It is not a matter of paying but, rather, paying within each debtor's ability to pay, because they cannot continue paying as interest rates stand today," Blake has said.

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Secofi Optimistic About Increase in Exports to U.S.

PA3004210295 Mexico City LA JORNADA in Spanish 28 Apr 95 pp 64, 48

[Report by Patricia Munoz Rios]

[FBIS Translated Text] While the Commerce and Industrial Development Secretariat (Secofi) has expressed its optimism because, in the first two months of 1995, Mexican exports to the United States rose substantially—exports of automobiles rose by 66 percent; engines by 97 percent; radiotelephonic devices doubled; and television sets by 25 percent—businessmen of the export sector have demanded the review of various agreements, the negotiation of new ones, and the promotion of agreements with Latin America.

The Secofi disclosed that Mexican exports experienced a 32-percent growth compared with the first two months of 1994. Meanwhile, the import of U.S. products registered a 1.4-percent reduction during the same period.

Products in the automotive sector are among those Mexican exports that experienced an increase during this period: the sales of vehicles increased by $960 million, which represents an increase of 66 percent compared with the same period in 1994, whereas the sales of engines increased by 97 percent.

As for electronic products, the increase by almost 100 percent in exports of radiotelephonic gadgets and the 25-percent increase in exports of television sets were outstanding.

Along this line, producers of electric transformers improved their "exporting performance" by 34 percent. The exports of tailored suits to the United States also increased by 66 percent and those of cattle increased by 56 percent. However, semimanufactured products of iron and steel, whose exports rose 116 percent, ranked first, the Secofi stated.

The Secofi also stressed that bilateral trade with Canada registered an increase during this period. In this case, Mexican exports amounted to $597 million, which means a growth of 33 percent, while Canadian exports to Mexico amounted to $135 million, which represents an increase of 27 percent.

Between January and February of 1995, those sectors that produce automobiles, mechanical and electronic equipment, machines, minerals and petroleum remain the sectors whose exports to Canada increased the most, according to the institution.

Regarding reciprocal trade with Chile, the data provided by the Secofi reveals that Mexican exports to that country rose by 31 percent, whereas Chilean imports to Mexico increased by 77 percent. Mexico had a surplus balance in its trade with Chile of $30.5 million.

With regard to signed commercial agreements, the Coordinator for Foreign Trade Business Organizations (COECE) demanded the review of several agreements, the promotion of the negotiation of others and the negotiation of several others that have not been considered.

As for trade agreements with Central America, the COECE points out that it is important to conclude the negotiations started under the protection of the Tuxtla Gutierrez Act and to state conclusively Panama's formal proposal to begin negotiations, because this country is an excellent distribution point for both Central America and the northern part of South America.

The COECE also believes that the shortcomings of the agreement with Chile could signify damages to the domestic industry, therefore, this agreement should be redesigned before January of 1996, when the free trade zone between the two nations will be consolidated.

According to the National Foreign Trade Council (Conacex), it is beneficial to negotiate agreements with Ecuador and Peru, and in general, with Mercosur [Common Market of the South]. In addition, new comprehensive and permanent agreements designed to effectively resolve basic problems with this area are necessary since the current agreements have "seriously affected our trade with these countries and are characterized by the existence of multiple nontariff barriers, insufficient protection for intellectual property rights, and the persistence of subsidies to their exports."

In general, we should try to continue with our commercial negotiations with Latin America and the Caribbean to achieve a just reciprocity to the Mexican opening and to guarantee the preferential access of our products, services, and investments to the markets of the region.

To this effect, the Economic Commission for Latin America and the Caribbean (ECLA) pointed out that for the time being, the possible admission of the Central American countries into NAFTA is not being considered nor is the proposal to form a Free Trade Agreement of the Americas (FTAA), proposed at the Miami Regional Summit, a feasible one. The best option for Central America, the ECLA emphasized, remains the signing of bilateral agreements.

El Barzon Decision To Use 'Commandos'

95CA0201A Mexico City REFORMA in Spanish 20 Apr 95 p 12A

[Article by Julieta Medina]

[FBIS Translated Text] The national movement known as "El Barzon" has decided to create resistance "commandos," which may even make use of violence to prevent seizures of property from people in debt to banks, the group's leader, Maximiano Barbosa Llamas, warned yesterday.

These "commandos" will operate all over the country to stand up to the attorneys representing bankers who

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attempt to seize debtors' property, he said in an interview at the close of a forum sponsored by PRD [Party of the Democratic Revolution] legislators in the Chamber of Deputies.

He also stated that formal charges will be filed against those bankers and against the judges who approve these property seizures.

About 25,000 complaints are expected to be filed against bank owners and against these judicial officials, because of their illegal and usurious attitude which leads them to act in ways that serve only to enrich the owners of financial institutions, stated Barbosa Llamas.

"El Barzon" has sought a solution of a political nature for the past due loan portfolio from the secretaries of finance, Guillermo Ortiz, and interior, Esteban Moctezuma.

PRD Deputy Mauro Gonzalez stated that the members of his party's delegation in Congress will request an indepth investigation of the sale of financial institutions.

He reported that the PRD legislators have introduced a bill to have protection for bank users included in the Credit Institutions Law.

Members of "El Barzon" have criticized the 500 deputies of the Chamber, believing that they pass bills simply to get their photographs taken, even though their decisions harm the people.

New El Barzon Legal Defense Effort

95CA0201B Mexico City LA JORNADA in Spanish 21 Apr 95 pp 64, 20

[Article by our correspondents Laura Gomez Flores, Alberto Espinosa, LA JORNADA DE ORIENTE, Angel Amador Sanchez, and Juan Jose Guadarrama]

[FBIS Translated Text] El Barzon's national leader, Juan Jose Quirino Salas, announced yesterday that his organization has reached an agreement with the Mexican Bar Association. The Bar Association will provide legal assistance to El Barzon members in their proceedings against Mexican banks. He added that in the future the organization's members will deposit notes purchased from NAFIN [National Finance Bank] with the appropriate courts. These notes will guarantee coverage of their debts, so they can begin to repay the principal due on their loans, in accordance with each person's capability.

In a press conference, Quirino Salas reported that the Bar Association will also work to secure the release of 3,700 citizens who have been imprisoned for insolvency. They are also studying bills to amend some articles of the Criminal and Civil Codes "in order to increase legal protections for debtors."

The leader of El Barzon stated that, to date, 12,200 businesses have gone bankrupt and 198 suicides attributed to bank pressures on debtors have been reported; of the national past due loan portfolio, which amounts to 80 billion new pesos, approximately 25 percent belongs to 800,000 El Barzon members: "Those are the results of bankers' usurious credit practices," he charged.

After publicly announcing the refusal of El Barzon's members to restructure their debts through UDI [Investment Units], Quirino Salas reported that according to the graduate school of the UNAM [National Autonomous University of Mexico] and El Barzon itself, if the economic adjustments continue, by the end of July a total of 20,000 businesses will have failed, and 1,200,000 people will be left jobless.

Quirino Salas said that next week they will propose to President Ernesto Zedillo the implementation of a plan that includes cleaning up and rescheduling debts for a term of 15 years at a real interest rate of 4 percent. They will also discuss the need for new financing in an amount equivalent to up to 30 percent of the value of each production unit.

He said that El Barzon is represented in all parts of the country, except Baja California. A meeting is to be held there next week to spread the movement to that state. In addition, representatives of the organization are traveling in various parts of the United States to report "the true situation that bank debtors are suffering in Mexico, and not the rose-colored version told by Guillermo Ortiz," the secretary of finance.

One of El Barzon's strategic goals, he stated, is the massive use of legal resources to defend debtors, seeking legal protections and the nullification of bank loan contracts. They are also filing charges of fraud and usury. That crime is now punished with "velvet gloves," as to date only one person in all of Mexico has been arrested on this charge.

In the meantime, in Puebla more than 12,000 persons affiliated with El Barzon announced that they will refuse to restructure their past due loan portfolios through UDI. "This is a trap set by the banks through which long-term debts will be increased four or five times," stated El Barzon leaders Victoriano Castillo and Rogelio Carvajal, who calculated the debt of El Barzon members in Puebla at 600 million new pesos.

Both leaders reported that instructions have been sent to their members to resist any attempt on the part of the banks to restructure past due loan portfolios. The only agreement which they are prepared to reach is to pay the amount of the principal of the loan, not the bank's interest charges.

They reported that after their talks with the Bank Center of Puebla, a legal moratorium has been reached so that no legal action will be taken against the 12,000 El Barzon members in Puebla. Criminal charges have been filed against the majority of these people for failure to pay their debts.

Castillo and Carvajal indicated that the UDI did work as a financial instrument in Chile, "but in Mexico they are destined to fail because of the conditions prevailing here.

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In Chile they were used when there was a steady flow of capital, but that is what we lack the most in Mexico."

In Zacatecas, after 80 hours of El Barzon demonstrations in the Plaza de Armas of the capital city, the members of the organization were able to resolve four of the 13 points in the list of demands which they presented to Governor Arturo Romo Gutierrez.

The most difficult point of the negotiations, commented El Barzon spokespersons, is related to the past due loan portfolio for the purchase of farm machinery, which amounts to 18 million new pesos and affects over 300 products of the organization. Another obstacle they face in the negotiations with the state government is their demand for the immediate release of 100 percent of the resources of Procampo [Program for Direct Support to the Countryside]. The Romo government argues that that decision is a federal matter.

Yesterday about 100 members of El Barzon in Acapulco demonstrated in front of the Court of Equity of the Public Prosecution Ministry and in front of the Ford Automotive Dealership, demanding the return of a van that had been repossessed, and protesting the action of two MP [Public Prosecution Ministry] agents who declared that filing criminal charges against Acapulco usurious creditors was unlawful.

The president of El Barzon in the port city, Jose Angel Radilla Miranda, explained that the Ford Dealership had arbitrarily repossessed a van from Juan Francisco Ramirez Sanchez, and due to the dealer's demands for the payment of "criminal" interest charges, Mr. Ramirez, a member of EL Barzon, suffered a heart attack and a blood clot.

He stated that this automotive dealership was charging, just for overdue interest, 271,657 new pesos a month, even though Ramirez had already paid 67,284 new pesos; the original price of the vehicle was 50,200 new pesos.

El Barzon-Acapulco's legal counsel, Salvador Baza Villalabos, declared that the charges filed against usurious creditors "are in compliance with the law, as those individuals are taking advantage of the extreme need of the people during an economic crisis that is hurting the entire country."

Oaxaca, Veracruz El Barzon Activities

95CA0201C Mexico City LA JORNADA in Spanish 23 Apr 95 p 19

[Article by correspondents Victor Ruiz Arrazola and Angel Amador]

[FBIS Translated Text] El Barzon members in Oaxaca and Veracruz have requested a legal moratorium from commercial and development banks to ease the situation and to enable them to sit down to negotiate without pressures, for at the present time about 6,000 debtors in the organization in the Cuenca del Papaloapan, City of Oaxaca, Isthmus of Tehuantepec and Costa are being threatened with seizures of their property.

About 200 businessmen, service and transportation providers yesterday formed a civil association to represent El Barzon in the municipalities of Oaxaca's central valleys.

Armando Chavez Loyo, a member of El Barzon's national coordinating board, who is in charge of El Barzon's work in Oaxaca and Veracruz, stated that 2,500 agricultural and livestock producers and 500 businessmen with past due loan portfolios make up the Tuxtepec section in the northern part of the state. He announced that another section will officially be formed by the Union of Indigenous Communities of the Northern Zone of the Isthmus on 26 April in Matias Romero in the Isthmus region. This section will represent 3,000 agricultural and livestock producers.

Chavez Loyo emphasized that in Oaxaca they want to negotiate directly with the state government, as they have already reached some agreements with the banks, which have presented proposals to restructure debts. These proposals are now being analyzed.

Debtor Suffers Heart Attack

In Zacatecas, El Barzon members reported that Manuel Rivas, treasurer of that organization in the town of Rio Grande, suffered a heart attack, apparently as a result of bank pressures because of his lack of funds to pay off 280,000 new pesos of his past due commercial loan.

They also reported that El Barzon members Gertrudis Vazquez, Luis Hernandez, Antonio Ramirez, and Raul Sanchez were arrested in the last few weeks for debts owed to usurious creditors in Fresnillo and Valparaiso. Moreover, after five days of demonstrations in the Plaza de Armas of the state capital, the organization's general adviser in the state, Manuel Ortega Gonzalez, spoke of the case of Manuel Rivas, who is now hospitalized, and expressed his concern because "that situation is tending to become more widespread."

While negotiations with the state remain suspended, they announced that on Tuesday they will seek legal advice in order to resolve 78 cases.

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Belize

Authorities Repatriate 20 Cuban Refugees

FL2904000795 Bridgetown CANA in English 2321 GMT 28 Apr 95

[FBIS Transcribed Text] Belmopan, Belize, April 28, CANA—Twenty Cuban nationals, including 16 adults and four children, have been repatriated to Cuba by the government of Belize. The Cubans who arrived without documentation by boat from the Cayman Islands on March 20, were flown home to Cuba Friday afternoon. On coming to Belize they had applied for the accordance of political refugee status. The Refugee Eligibility Committee denied their application and their appeal to the minister responsible for immigration, to reverse this decision, was also unsuccessful. The decision to repatriate the Cuban nationals was taken after consultation with the government of Cuba, a Belize Information Service release said.

Prevent Media Coverage

FL3004191795 Bridgetown CANA in English 2227 GMT 29 Apr 95

[FBIS Transcribed Text] Belize City, April 29, CANA—Belize has repatriated twenty Cuban boat people who sought political refugee status here. The sixteen adults and four children who docked in Belize City on March 20 from the Cayman Islands were sent home Friday [28 April] after their application was rejected by the Belize Refugee Eligibility Committee. The committee said they did not meet the requirements for such status. In a brief statement, the Belize government said the decision to repatriate the Cubans was taken after consultation with the government of Cuba. The Cubans were said to have gone on a one-week hunger strike after their application and an appeal to Immigration Minister Phillip Goldson were turned down.

On Friday afternoon the Cubans were transported from the Holdfast Camp in Cayo to the Phillip Goldson International airport, where they were processed on the spot and put on board a Cuban airlines commercial flight to Havana. Television cameras were banned from the public waving gallery at the airport and no passes were issued to the press to enter the apron to cover the repatriation. Channel Five's reporter/anchorwoman Ann-Marie Williams-McDonald and camerman George Tillet were roughed up by the BDF [Belize Defense Forces] security officers as they attempted to cover the operation. Channel Seven's anchorwoman Audrey Matura, upset at being denied access to the Cubans drove her car through the security barrier and surprised the security guards when she came to a screeching halt in front of them. She was taken into custody and threatened with charges on several violations. She was released, however, without being charged, after a formal apology to officials from Channel Seven's News Director Jules Vasquez. An angry Audrey Matura said that after being denied the opportunity to do her job she had no other alternative than to get the job done the best way she knew how and that the fact that she was able to penetrate the security barrier at the airport "proves how well they (the security guards) were doing their job."

El Salvador

Calderon Confirms Peace Accord Timetable Rescheduled

PA2904035595 San Salvador TCS Television Network in Spanish 1200 GMT 28 Apr 95

[Report by Roberto Salazar from the "TCS News" newscast]

[FBIS Translated Text] President Calderon Sol has discussed the fact that the pending peace accords will be rescheduled and will now be implemented by 31 October at the latest.

[Begin Calderon recording] We are indeed working on reviewing all of the peace accords, taking into account those that are pending and ways to finalize them. In this way, talk about the pacts not being complied with will cease. I think that we, the Salvadorans, must be practical. We must abide by the agreements and turn a new page. We must live under the democratic institutions that have grown out of the accords and the desire of the Salvadoran people. [end recording]

The objective, according to the president, is to finalize the agreements while resolving the financial burden that accompanies them.

[Begin Calderon recording] We can say that the international community contributed $500 million of the $1.5 billion cost of the peace accords. El Salvador has taken on loans and will spend many years paying a $500 million debt. The Salvadoran people have contributed the rest. We still have a deficit of 1.2 billion colones. [end recording]

For this reason, the government is studying ways of financing the pending accords. If no international funds are available, the money will have to come from the people's pockets.

Fusades Study Concludes Dollarization 'Risky'

PA3004222295 San Salvador LA PRENSA GRAFICA in Spanish 29 Apr 95 p 12A

[FBIS Translated Text] A study conducted by the Salvadoran Foundation for Economic and Social Development (Fusades) has determined that dollarizing the economy in the short term would be a very "risky" exchange policy because our country does not meet certain requisites for this process.

According to Fusades, after quantitative analyses and visits to Panama, where we verified the sources of income in foreign currency which support that country's model, we concluded that dollarizing the Salvadoran economy "would be extremely risky."

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The Foundation said yesterday that dollarization could promote macroeconomic stability in the country, but it noted that there are basic conditions, which El Salvador does not currently meet, required to successfully implement this process. The Foundation summarized the conditions in three points: 1. Liquid reserves in dollars; 2. A solid, modern, and properly supervised financial system; and 3. Strict fiscal discipline.

In voicing the institution's position, Fusades President Jorge Zablah said yesterday it does not recommend total dollarization in the short term, stating added that this could set back the economic advances already made.

He said that instead "it is advisable that the Salvadoran Government work on other more important measures to generate socioeconomic stability, which would in turn promote conditions to make dollarization of the economy successful."

The Foundation, however, clarified that it does not oppose the measure as such. "We are not saying that Fusades opposes the complete dollarization of the economy, but that El Salvador at this time does not meet the requisites to implement it, thus actually going through with it could be risky," Jorge Zablah added.

Fusades experts advised a further consolidation of economic and administrative reforms and pointed out that the following measures must be carried out to create an atmosphere for establishing another exchange policy, in this case dollarization:

A. Continue to promote a gradual trade opening;

B. Apply a healthy fiscal policy to reduce the fiscal deficit;

C. Continue to modernize the state, deepen decentralization processes, reduce state size, modernize labor legislation, and introduce regulations to promote competition.

The Fusades president assured that dollarization could promote "macroeconomic stability" in the country and added that its implementation would be successful if the country met the basic conditions of having sufficient liquid reserves in dollars, a solid, modern, and properly supervised financial system, and strict fiscal discipline.

Prior to implementing a dollarization scheme, the study proposes securing the dollars needed to cover major monetary requirements [principles agregados monetarios], working on long-term fiscal policy to meet expense needs, and significantly improving the tax expense situation.

It also suggests modernizing the financial system to make it more competitive and introducing more prudent legislation. If these conditions are met, Fusades concluded, "the feasibility of dollarizing the economy completely could be reconsidered."

The Fusades study believes that implementation of a dollarized economy in our country will be unsuccessful if these basic requirements are not met:

Solid liquidity: FUSADES maintains that according to information current as of 17 March 1995, there is a $304.6-million shortage in covering the monetary base (circulating currency and bank reserves) with the resources available in the Net International Reserves (RIN), without considering that not all those reserves are liquid.

The report states that there must be a larger amount of foreign exchange to implement the dollarization system to allow us not only to cover the monetary base but also to permanently cover the economic sectors' demands for foreign exchange.

The study shows that there must be enough dollars to cover all economic activities: for banks to meet business demands for dollars to pay their payrolls and consumer demands to carry out transactions.

Solid public finances: It suggests that the financial system consolidate further to resist the effects of a dollarized economy.

The interest rate must be npetitive, and the "spread" [previous word in English] between the debit and credit rates denotes irregularities that will reduce the interest rate's flexibility.

In a dollarized economy, the government cannot finance its expenses by issuing currency, and its main source of income must be available tax revenues. Fiscal policy is the main tool of economic policy. Economic efforts are limited when the fiscal area is weak.

Strict fiscal discipline: The fiscal deficit in 1994 was 1.6 percent (excluding donations) in relation to GNP. Thus the government's financial situation could be considered manageable on a short-term basis.

However, the road to modernization of tax administration, control of tax evasion, and improving tax supervision is still long.

There is no long-term vision for the function of fiscal policy to cover the social investments required by the country and to meet its basic needs infrastructure and public security needs. All this makes it even more obvious that there is a need to substantially increase income.

Conclusion: If we believe dollarization must prevail, we must study ways to replace the flow of remittances, when they stop coming in the medium term, with a greater flow of dollars from other regular sources, such as increasing our exports. If not, the system will be condemned to a lack of liquidity and a virtual return to the Central Bank issuing currency again.

Guatemala

President on Human Rights Cases, CIA Ties

PA2804185495 Guatemala City Radio and Television Networks in Spanish 0335 GMT 28 Apr 95

[Speech by Guatemalan President Ramiro de Leon Carpio from the Presidential Palace in Guatemala City—live; broadcast in progress]

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[FBIS Translated Text] ...decisions that have been made. I wish to remind all Guatemalans that from the beginning of my term I have had to face difficult situations of a special nature. Despite the complexity of the problems, I have not set them aside, even though in the opinion of many, this government, because of its transitional nature, should not broach such topics.

Today in Guatemala, we must recognize that I received a country in crisis, from the institutional, political, economic, and social point of view. That is why it is a source of satisfaction for me to share with all of you how we have been facing the different problems and finding solutions through the firm decisions I have had to make.

On the institutional side, the people will recall that I assumed the presidency as a result of the breakdown of the democratic system and of institutional order. My first mission and main obligation, therefore, was to rescue this institutionality, which has been preserved and strengthened. You, Guatemalan people, are witness to what we have achieved. Today, there is no breakdown of institutional order. Therefore, this problem has been solved.

I will bequeath to the next administration a scenario quite different from the one I found. We must continue to strengthen this institutionality. In this context, I wish to share with you the concerns of the government as well as its decisions regarding the Bamaca and Devine cases and our relations with intelligence services abroad. I summarize the essential points.

The Bamaca case: The government has sought to strengthen the state of law, the peace negotiations, and the democratic process. However, the government believes that in the Bamaca case, there is an interested party that has direct links with the objectives of the URNG [Guatemalan National Revolutionary Unity], as is evidenced by the suit filed by URNG members Santiago Cabrera and Jaime Agustin Recinos. Also, Jennifer Harbury, based on the testimony of the former and through a questionable procedure, filed a suit claiming to be the wife of Efrain Bamaca and of maintaining relations with members of that organization. She says this in her book (?Breach of Cult).

The Guatemalan state, despite the fact that there have been various versions about the disappearance or death of Efrain Bamaca and since it was a case typical of the internal armed confrontation, believes that various legal actions have been carried out with the purpose of thoroughly investigating what happened, in conformity with the spirit of the agreements. The state decided to appoint a commission to clarify human rights violations and acts of violence linked with the armed confrontation. The government believes this case must be transferred to the jurisdiction of said commission, which was established in the peace negotiations.

The government deems totally inappropriate that investigations or judiciary procedures be carried out in cases linked with the armed confrontation that could hinder the peace process. The state feels that political polarization and manipulation must be avoided.

The Devine case: This case deals with the circumstances related to the death of U.S. citizen Michael Devine in 1990. In this regard, the Guatemalan state promoted the respective legal proceedings, which resulted in six convictions and one acquittal: 30 years in prison for five soldiers and noncommissioned officers; 20 years in prison for a captain; and the acquittal of Colonel Garcia Catalan, who was commander of the 23d military region at the time. It is regrettable that Captain Hugo Contreras escaped from prison in May 1993.

The Guatemalan state, upon resuming the pertinent legal investigations, through the Attorney General's Office, will continue its efforts to have justice implemented at the corresponding levels. To facilitate the exercise of justice, the state adopted the administrative measure of suspending Infantry Colonel Mario Garcia Catalan and Julio Roberto Alpirez, infantry colonel of the General Staff, so that the corresponding actions can be taken against them, according to the law. The Guatemalan Government will intensify its efforts to recapture Captain Hugo Contreras and will request the cooperation of Interpol for this purpose abroad.

Regarding recent cases having to do with security, these are regulated by a multitude of international treaties, allowing the various security and intelligence organizations to communicate with one another. It is for this reason that there are various bilateral or multilateral programs against drug trafficking, money laundering, illegal immigration, international terrorism, gun-running, and nowadays, the struggle against ecological devastation, as well.

Regarding the alleged illegal relationship between the CIA and Colonel Julio Rodolfo Alpirez, the Army is carrying out, by its own volition, the corresponding internal investigation. The Attorney General's Office is carrying out the investigation on behalf of the State of Guatemala. The Guatemalan Government will request and will thank the U.S. Government for any information on this case.

In the area of politics, I wish to brandish the purge banner, but through democratic and legal means. Even though I was criticized for choosing this means, the final result proved me right: The people were the big winners when the total purge was accomplished through a new congress elected by the people and a new Supreme Court of Justice, which today allows us to move ahead with the state's decisionmaking process.

A new congress and a new Supreme Court of Justice naturally do not solve all the problems that have afflicted Guatemala for centuries. But, this was, no doubt, the first great achievement that is the result of having a new congress with which there is respect due to the separation of powers and an excellent working relationship. In fact, we have arrived at great political agreements for the benefit of the Guatemalan nation, a situation that could hardly have taken place under the previous congress.

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On the topic of the economy, I found the public finances seriously weakened, especially by the reduction of income tax noted in 1993, which worsened in 1994. That drop in state income served to confirm that the 1992 tax reforms, even though they may have been intended to improve collection, really caused a drop.

As president I then had to decide on confronting our country's structural problem, which as has always been the case, is aimed at achieving a fairer tax structure with no other purpose than to fulfill the government's basic goals within its agenda: to fight poverty through investment and social expenditures that the state is forced to make in order to meet social demands.

In the same spirit, we presented to congress a fiscal reform, which once approved by it, allowed us to take significant steps to clean up and improve public finances. Nevertheless, this reform has faced a series of obstacles, which although in principle may be argued as being legal, we know full-well that they are political in nature. This notwithstanding, the public finance results registered in the first quarter of 1995 are a reflection of the efforts that have been carried out and show that collection goals have been surpassed.

Likewise, the IMF has informed us of the expected approval of the Protection Agreement [Acuerdo Sombra] that backs our economic program and allows us to present ourselves before the international community in Paris, France in June, to receive financial support for the peace programs.

Regarding the unconstitutionality petition presented to the Constitutionality Court, the court issued a resolution temporarily suspending two important articles of the Income Tax Law that are especially important in this year's flow of state resources. In view of this decision, we took joint measures with the congress president and the general secretaries of the political parties, in order to reverse the impact of the temporary suspension by the Constitutionality Court.

There was a need to temporary abandon our foreign trade tariff policies and adopt, as an extraordinary short-term measure, as the respective government decree stipulated, a single tariff to provide financial resources to the state until the impact of the Constitutional Court's decision could be reversed.

In addition, we would seek a legislative solution that could allow a permanent income like the one proposed in the Fiscal Reform. This is how we agreed with the political groups represented in the congress to urgently propose two draft laws.

One of them restores the tax on interests that had been in effect since 1992, but which was temporarily suspended by the Constitutionality Court. It has been fully reinstated by Decree 26-95 of the congress as the Law on Financial Products, approved last week on a national emergency basis.

The other law that was presented restores the share of business enterprises. It was restored in part by Decree 32-95, the Law on Business and Agricultural Enterprises Tax, which was approved yesterday by the congress, also on a national emergency basis. Both laws allow the alleviation of the impact of the two articles suspended from the Law on Income Tax.

In the fiscal area, one can state the difficulties that have been resolved. The approval of the Fiscal Reform will have positive results for the country, and the political cost its [words indistinct] it is necessary to consider the efforts that will allow a tax policy that will receive the support of all Guatemalans in this national commitment.

Dear Guatemalans: This outlook allows us to restructure the economic policy, particularly in the area of foreign trade, which the government has outlined. Therefore, the measure of the single tariff, which was established in a temporary and special manner, is suspended within the framework of what was established by the safeguard clause of the Central American Tariff System. This specifically allows a government to adopt this type of measure in a unilateral manner for 30 days without violating the Central American treaties.

It is evident that a fiscal improvement paves the path for the lifting of customs tariffs, which is the goal the Central American countries have already discussed. Likewise, I asked congress to adopt its best attitude to approve the final act, in which the results of the Uruguay Round on Multilateral Trade Negotiations that created the World Trade Organization are included. This attitude will allow us to establish the customs tariffs included and summarized in the GATT, tariffs that protect those agricultural products facing market dispersion problems and unfair trade practices.

In the talks we have held, the business sector has voiced its commitment to support the fiscal reforms by respecting the laws congress has approved and by immediately embarking on a moral tax campaign to instill and heighten awareness in paying taxes. As we move forward amid political and economic stability, the government can now face humanity's biggest challenge—namely, attending to social issues—by confronting poverty and injustice.

Fellow Guatemalans, as I look back at the months that have passed since I took control of the government, I do so by holding the deep conviction that what we have done has been done for the sake of our country alone. If crises and problems emerged along this path, these have been resolved time and again with determination, firmness, and, above all, your support. We must look toward the future now. My government has established the foundations on which a nation emerging from a crisis can be forged. Now it is up to all Guatemalans to accept the challenge of writing a new national history in which all social sectors will participate by holding the conviction that we are witnessing the fatherland's resurrection, under the banner of unity and reconciliation.

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We are about to achieve peace, but we must consider that an overall and social peace is forged with the efforts made and the solidary attitude taken by the entire society. This is why we Guatemalans must right now take a position of dialogue. Our country must prepare itself for the changes that will occur in the next historical and political transition, which goes beyond the simple transfer of power from one government to another within a framework of justice, democracy, and true spirit of civic cooperation.

As president of all Guatemalans and as representative of the national unity, I call on all sectors of Guatemalan society—unions, people, universities, churches, businessmen, politicians, Indians, cooperatives, nongovernmental organization, and other no less important sectors—to begin a frank and open dialogue that will allow the participation of the advisory council for political transition, the working foundations of which will be established and made public immediately. This council will work for the remaining eight months of my term under the common denominator of our love for Guatemala, journeying together toward the rapprochement with a national society committed to peace and development. Thank you very much for your attention. Have a good night.

Nicaragua

Demonstrators Protest Deportations at U.S. Embassy

PA2904183995 Panama City ACAN in Spanish 1719 GMT 29 Apr 95

[FBIS Translated Excerpt] Managua, 29 Apr (ACAN-EFE)—Over 1,000 persons peacefully marched today, Saturday, to the U.S. Embassy in Nicaragua to ask President Bill Clinton not to deport the thousands of Nicaraguan immigrants who live in the United States.

The Support Committee for Nicaraguans in Exile [Comite de Apoyo a los Nicas en el Exilio—CANE], which is made up of various prominent people in Nicaragua, delivered to a U.S. Embassy official a letter addressed to Clinton requesting that Nicaraguans living in the United States not be denied work permits.

"We are aware of your government's right to decide whether those people who have not fully legalized their immigration status should stay, but forcing Nicaraguans to return under the present circumstances would endanger not only their freedom but their lives," they said in the letter to Clinton.

Among those signing the letter addressed to Clinton were Nicaraguan Cardinal Miguel Obando y Bravo, Vice President Virgilio Godoy, and Assembly President Luis Humberto Guzman.

Enrique Quinonez, one of the leaders of the demonstration, said that nearly 300,000 Nicaraguans living in Miami (U.S.A.) have already been notified that their request for political asylum has been denied, "therefore the next step could be massive deportation." [passage omitted]

Panama

President, Foreign Minister Meet With U.S. Congressmen

PA2904040095 Panama City Telemetro Television Network in Spanish 1730 GMT 28 Apr 95

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares and Foreign Minister Gabriel Lewis Galindo have met with four U.S. congressmen to discuss bilateral issues and matters pertaining to the Panama Canal. The meeting was also attended by Panama's ambassador to Washington, Ricardo Alberto Arias, who explained to the media what was discussed:

[Begin Arias recording] The main topic was the Canal transition process now taking place and leading up to the final transfer in 2000. The president has expressed to them his satisfaction over how this transition is taking place, particularly over the appointment and final approval of the new Panamanian directors of the Panama Canal Commission. This topic was the main one discussed, in addition to U.S.-Panama relations in general. [end recording]

The U.S. delegation was headed by Republican Herbert Bateman. The group is comprised by Congressmen Gene Taylor, Norman Sisisky, and James Longley. It was also reported the visit was an opportunity for the congressmen to learn from President Ernesto Perez Balladares about Panama's plans to develop the reverted areas.

Minister Signs Border Security Agreement With Colombia

PA2904184595 Panama City LA PRENSA in Spanish 28 Apr 95 p 5

[Report by Rolando Rodriguez B.]

[FBIS Translated Text] Raul Montenegro, Panamanian Government and justice minister, and Colombian Defense Minister Fernando Botero have signed an agreement for the joint development of security at the common border.

Minister Montenegro, who traveled to Colombia last week, made the announcement. He said that during his visit, he had the opportunity to meet with Colombian President Ernensto Samper, as well as several of his ministers, including the justice minister. Montenegro did not comment on the matters discussed.

According to Panamanian Ambassador to Colombia Julia Regales, the terms of the agreement signed by both nations include topics such as air, land, and maritime security at the border. Authorities have frequently reported incursions by Colombian drug traffickers and guerrillas into Panamanian territory.

Montenegro expressed his "pride" because the report Colombian authorities presented to Panama stated that "coordination between both governments has produced results." He did not, however, give any details.

The Colombian defense minister and the Panamanian Government minister will meet again in Cartagena during the second half of November.

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Argentina

Government Releases Text of Decree Regulating Patents

PY2904004695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0027 GMT 28 Apr 95

[FBIS Translated Text] Buenos Aires, 27 Apr (NA)—The government today disseminated the text of the decree temporarily regulating the GATT chapter on Intellectual Property Rights and the Paris Agreement on Industrial Property Protection, as well as Law 111, which is currently in effect.

The executive branch decided through this decree, which is resisted by all political blocs in Congress, including the ruling Justicialist Party bloc, to recognize intellectual property rights with regard to inventions "until Congress approves definitive legislation on the subject."

On 30 March Congress approved a patents bill after three years of analysis and consultations with all interested parties, but the executive branch "objected to it," particularly on two specific points.

The decree President Menem signed last night eliminates two conflictive points: The eight-year term to adapt to the new legislation and the prohibition on importing products patented in the country.

Decree 621 establishes that national laboratories must start paying royalties as of 1 January 1996. The decree also eliminates the obligation to produce products that are sold locally in the country.

The outstanding items of the decree are:

—The owner of a patent must really and effectively exploit his product by himself or through third parties at an industrial level.

—The manufacturing can be done in the country or in one of the member states of trading zones in which Argentina is a partner, such as Mercosur [Common Market of the South], always under conditions of reciprocity.

—Importing a product will be considered as exploiting it and will encompass distribution and trading at an appropriate scale to satisfy the national market's demand.

—The owner of a patent will have the right to prevent third parties from producing or trading his product or method without his consent.

—A patent owner who realizes that National Customs Administration documents include products imported in violation of these dispositions will be empowered to start legal action to prevent it.

—Patents will be protected for 20 years beginning from the date the application is presented. Applications submitted after the TRIPS [Trade Related Intellectual Property Rights] chapter of the GATT agreement becomes effective will have similar protection. This period cannot be extended.

—The period for protection of validated patents will be the same as the period for original patents "whenever they do not exceed 20 years."

—The payment of royalties will not apply when formulas are used in non-commercial activities such as research or when they are prescribed by units in a medical prescription.

—When several inventors make the same discovery independently of each other, the patent right will belong to the inventor who presented the application first.

—Patents will not be granted for diagnosis, therapeutical purposes, or surgery methods for the treatment of people or animals, or plants or animals, with the exception of microorganisms, or for inventions whose commercial exploitation must be prevented to protect the lives of people, animals, or plants.

—Inventors will submit their patent applications to the Inventions Patents Directorate. Applications will be for one invention or a group of discoveries encompassing a single inventive concept at a time. Otherwise, they will be divided.

—The technical information contained in patent applications will be secret. Whomever violates this disposition may be sued for damage, suspended, and fined.

—The organ responsible for the application of the norm will be the Economy Ministry's National Institute of Industrial Property .

—The Economy Ministry, through resolutions, will determined the amount of fines, tariffs, and annual payments.

Air Force Chief Pre-Announces Self-Criticism Speech

PY2804191995 Buenos Aires LA NACION in Spanish 28 Apr 95 p 6

[FBIS Translated Text] Confirming that on 3 May he will deliver a self-criticism of the antisubversive struggle, Brigadier Juan Paulik, the Air Force chief of staff, said yesterday that we must view the 1970's "fully immersed in a worldwide process, without indulging in a process to vindicate ourselves, because this will help us recognize incidents that affected the whole of society."

Paulik told Radio Rivadavia: "It is necessary to view the incidents in an unbiased way, and to accept the bare and clearly proven truth. We should not attempt to vindicate acts that cannot be vindicated."

Paulik's self-criticism will resemble that of General Martin Balza, the Army chief of staff, who recognized that during the military regime people were tortured and thrown alive into the sea.

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The Air Force chief of staff said: "I will pass some judgment on my views and on the way the Air Force interprets the remarks made over the past few days."

Paulik denied his speech would "follow" Balza's self-criticism. He said: "If we do certain things just because someone else or some part of society did them, we are mistaken. I believe we must act candidly and express our ideas for constructing something positive."

Jewish Organization, Daily Office Receives Bomb Threat

PY2804134395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1215 GMT 28 Apr 95

[FBIS Translated Text] Mar del Plata, 28 Apr (NA)—A bomb threat was received in the past few hours by an Israeli organization in this city just as the Warsaw Ghetto uprising was being recalled.

The threat came at approximately 2020 [2320 GMT] on 27 April against the United Israeli Society of Mar del Plata [Sociedad Israeli Unida Marplatense] when an unidentified person warned that the building that houses the organization and the agency of the newspaper LA NACION in this city would be blown up.

The police immediately mounted two operations in the downtown area, but without results.

In spite of the threat, the ceremony continued and concluded at approximately 2230.

Bolivia

Government, Union Begin Talks With Church Mediation

PY2904011695 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 28 Apr 95

[Relay by Freddy Morales]

[FBIS Translated Text] It has been confirmed that there are serious and already official contacts between government officials, two ministers, and leaders of the Bolivian Labor Federation, who were underground, with the mediation of a bishop of the Catholic Church. The purpose is to begin negotiations to recapture an environment of social peace without violence or pressure in the country.

The contacts started today at 1700 and the parties are still meeting in an effort to find solutions to the current problems. And this solution begins, of course, with the lifting of all the pressure by the unions and flexibility on the part of the government for the release of all the people who were banished.

COB, Government Agree To Resume Talks, Lift Strike

PA2904173595 Madrid EFE in Spanish 0558 GMT 29 Apr 95

[FBIS Translated Text] La Paz, 29 Apr (EFE)—The Bolivian Labor Federation (COB) will suspend all protests and the La Paz government will free all arrested union leaders after signing an agreement, which both parties made public today, Saturday.

The agreement was signed in La Paz at 0100 (0500 GMT) following a long, secret meeting of several Bolivian Government ministers and the main COB leaders who were not arrested over the past few days and who had been in hiding. The Catholic church mediated the meeting.

Nevertheless, the government announced that for the time being, it will maintain the state of siege decreed on 18 April.

The main goal of the agreement or "memorandum of understanding" signed today is that the COB and the government will continue negotiations interrupted by the state of siege declaration and the arrest of about 300 union leaders, including COB Secretary General Oscar Salas.

According to this agreement, "COB is to instruct its affiliate organizations to immediately lift the indefinite general strike and all pressure tactics and to return to normal work, including the resumption of schoolwork."

Thus the strike in the public education sector, which teachers throughout the country have observed for the past two months in a disciplined way, has been suspended.

"The government, in turn, promises freedom for those being detained and the return of those in confinement once all work and educational activities return to normal on 2 May," the agreement adds.

Government Minister Carlos Sanchez Berzain, Presidency Minister Guillermo Justiniano, and Labor Minister Reynaldo Peters represented the executive branch at the meeting. Secretary General Juan Chavez, Organization Secretary Vladimir Terceros, Permanent Secretary Alberto Vilar, and Social Welfare Secretary Israel Veizaga represented COB. The Catholic church, which acted as mediator, was represented by Roberto Barja, director of CARITAS [International Confederation of Catholic Organizations for Charitable and Social Actions] in Bolivia.

Bishops Call For Peace; Government Reacts Favorably

PY2904013095 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 28 Apr 95

[FBIS Translated Excerpt] The bishops are setting the basis for social peace in Bolivia. Less government repression and more union flexibility are the first and important steps that should be taken. Drug trafficking is jeopardizing the country's sovereignty, and this is why it requires special treatment.

The Bolivian Episcopal Conference, in a message of peace and reconciliation to the Bolivian people, called on the government to do everything that favors the prompt lifting of the state of siege and the release of all the detained and banished in order to build peace and freedom.

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The conference warns that the lack of flexibility and threats by government spokesmen are only exasperating the spirits of the Bolivian people. The Bolivian bishops demand from the Bolivian Labor Federation that pressure be put aside because it creates unesiness among the population, and that there be a return to dialogue openly without allowing inflexible groups to obstruct the progress made, and also to create within the union a healthy pluralism.

The bishops also called on teachers to return to classes, to be critical and objective of the educational reform law by taking a constructive attitude and promoting an overall educational reform to give priority to improvement in education.

Warning that the repercussions of the coca issue are linked to national sovereignty and peace, the bishops called on coca growers to put aside radical positions, and to hold an open and sincere dialogue with the government in order to seek new sources of work to prevent the production of surplus coca which is used for drug trafficking. [passage omitted]

The church did not pressure the government to immediately lift the state of siege. This is how Social Communications Minister Ernesto Machicao understood the call made by the Episcopal Conference, which concluded today in Cochabamba with a call for social peace:

[Begin Machicao recording] What the church is asking is that the government do everything that favors the prompt lifting of the state of siege. The government accepts that message because it is clear. The church is not saying: lift the state of siege now. The church is calling on the government to do everything that favors the prompt lifting of the state of siege. We are holding dialogue. We are working [words indistinct] in Santa Cruz as a first step. And we hope [words indistinct] [end recording]

According to the official spokesman, the first step was the agreement signed today between the government and the union leaders of Santa Cruz. In Santa Cruz, the teachers strike was lifted, the union leaders were released, and a decision was made to discuss regionally the problems presented by the Bolivian Labor Federation.

Despite that environment of rapprochement between officials and union leaders, the state of siege will not be lifted, said Machicao.

Expelled Foreign Union Leaders Leave Country Voluntarily

PY2804180395 La Paz Television Nacional Network in Spanish 1700 GMT 28 Apr 95

[FBIS Translated Text] The Migration Department has expelled from the country the six foreign union leaders who publicly spoke against the government. Four of them left the country yesterday with no problem at all. The other two left this morning at 0700.

The red expulsion seal has not been placed in their passports. Instead another seal was stamped there, it says: "Stay Concluded."

First Regional Supreme Courts Meeting Ends

PY2804133995 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 28 Apr 95

[FBIS Translated Text] The meeting of supreme courts presidents has ended. At the conclusion of their first meeting, Andean region supreme courts' presidents and justices created the Association of Andean Pact Supreme Courts [Asociacion de Cortes Supremas del Area Andina]. The presidents and justices of the supreme courts of Peru, Ecuador, Colombia, Venezuela, and Bolivia met for three days in Sucre. At the conclusion of this sub-regional meeting, they signed the Sucre Declaration.

The first meeting of the presidents and justices of Andean Pact supreme courts is considered successful by Bolivian Supreme Court President Gualberto Davalos because it was an opportunity to analyze problems of interest within the sub-region.

Brazil

Senators Reject U.S. Pressure to Approve Patents Bill

PY2804145695 Sao Paulo AGENCIA ESTADO in Portuguese 2234 GMT 28 Apr 95

[Report by Rosa Costa]

[FBIS Translated Text] Brasilia, 27 Apr (AE)—Senators have reacted with indifference to a new U.S. threat to impose trade retaliations on Brazil, seeking to hasten the approval of the patents rights bill. Senator Jader Barbalho (PMDB-PA) [Brazilian Democratic Movement Party-Para] said the U.S. Government and lobbies, which are annoyed over the slowness in approving a patents rights bill, cannot set deadlines for the Brazilian Congress. He said: "What they say or threaten is of no consequence."

The voting session on the alternate draft bill presented by Senator Ney Suassuna (PMDB-PB) [Paraiba], rapporteur of the Constitution and Justice Committee (CCJ), has been postponed until 10 May. Suassuna must examine 18 other amendments and another alternate bill that have been presented. Suassuna said he does not believe in retaliation because the bill he drafted meets all the GATT recommendations. He said: "It is an unnecessary reaction," adding: "I will not allow any foreigner to come and establish rules in Brazil."

CCJ chairman Senator Iris Rezende (PMDB-GO) [Goias], considers absurd any pressure to get the bill approved "immediately." Senator Roberto Requiao (PMDB-PR) [Parana], one of the senators who most resists the U.S. patents defense position, said the threats will generate an opposite effect in the Senate. He presented an alternate bill that was drafted by former Senator Antonio Mariz

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(PMDB-PB), also a former CCJ rapporteur. Mariz' proposal not be liked by developed countries because of its nationalist slant.

The lack of reaction to retaliatory threats is nothing new in the Senate. It has been like that since the patents rights bill began being debated in Congress in June 1993. Government leaders in congress promised to approve the bill that year and again the following year, without this ever taking place. Now at least they are more cautious and do not establish deadlines. It is difficult to forecast when the bill will be approved by the CCJ and by the next committee that must analyze it: The Economic Affairs Committee. Then, it must still be voted on in the Senate, from where it must return to the Chamber of deputies for approval because the original text has been modified.

Esca Says It Will Pay Due Social Security Contribution

PY2804212895 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Apr 95 Section 1 p 6

[Article by Gustavo Krieger]

[FBIS Translated Text] Esca [Automation and Control Systems Engineering], the Brazilian enterprise that the government chose to run Sivam [Amazon Region Surveillance System], will pay the debt it owes to the Social Security System in order to be able to sign the Sivam contract with the Brazilian Government.

Esca lawyers provided this information to the Attorney General's office in Sao Paulo on 26 April.

Esca will win approximately $120 million for running Sivam, but it will be able to sign the contract only after updating its situation with the Social Security System.

In January, government supervisors seized forged social security contribution receipts at Esca hedquarters. Charges were pressed against the enterprise.

In addition to fining Esca, the supervisors adopted two measures: They demanded payment of the unpaid contributions, and began an inquiry into the forgery of documents.

This inquiry was submitted to the Attorney General's office in order to begin an investigation. Prosecutor Ricardo Nahat asked for the lifting of Esca's bank secrecy to find out whether the enterprise actually failed to pay the social security contributions.

Nahat said the case can be shelved if the enterprise pays what it owes to the Social Security System. The prosecutor compared the case to the issuing of a bad check. In his opinion, payment of the debt annuls the crime.

Nahat said the courts may adopt divergent positions in such cases, but they admit the possibility of shelving.

Esca has said it is not responsible for the forging of the contribution receipts.

SAE Official Justifies Sivam Payments to Esca

PY2804213795 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Apr 95 Section 1 p 6

[FBIS Translated Text] Brigadier Arquimedes de Castro Faria Filho, a SAE (Strategic Affairs Secretariat) official, has said that the payments made to Esca [Automation and Control Systems Engineering] correspond to "1994 contracts for preparation of Sivam [Amazon Region Surveillance System]."

He said the funds have been earmarked from the SAE budget and are not part of the funds that will be destined for Sivam.

At 1915, Faria Filho told FOLHA that Air Force Brigadier Nelson might answer the accusations on "cosmetic" actions and on the government obligation to suspend payments to Esca.

FOLHA phoned Brigadier Nelson at 1920, but was told that he had already left.

The journalists also contacted the Finance Ministry press department at 1730 and at 1820 on 26 April. They were informed that the press official was not available.

At Esca, in Sao Paulo, no one answered the phone at 1750 on 26 April.

Cardoso Fires Petrobras Director for Criticizing Government

PY2904030895 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 28 Apr 95

[FBIS Translated Text] President Fernando Henrique Cardoso has dismissed lawyer Jose Machado Sobrinho from the Petrobras [Brazilian Petroleum Corporation] board. This is the first time a state-owned company director has been dismissed for criticizing the government. Jose Machado Sobrinho made restrictions to the administration's privatization program.

Outlines Foreign Policy Guidelines

PY2904024695 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 28 Apr 95

[FBIS Translated Excerpt] At Itamaraty today, President Fernando Henrique Cardoso attended the graduation ceremony of a new class of Rio Branco Institute diplomats. [passage omitted]

In a speech addressed to the new diplomats, President Cardoso said that Brazilian diplomacy must be linked with the situation of a society that has learned to live in freedom. [passage omitted]

The president emphasized the lines of action of his government's foreign policy:

[Begin recording] Improve regional integration mechanisms, starting with Mercosur—Common Market of the

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South—with a view toward future hemispheric integration; clearly define the strategic partnerships that Brazil must have at a bilateral level; continue to defend the rules, principles, and virtues of multilateral efforts in the economic and political areas; expand Brazil's participation in the internatonal decision-making process, especially as it concerns the necessary modification in the composition of the UN Security Council, which should reflect the features of the post Cold War world; guarantee structural conditions for competition at an international level, especially as it concerns economic stability; strengthen at an international level the Brazilian commitment to nonproliferation of nuclear weapons; approach multilateral organizations like the OECD, which advocate a market economy and other values of Western democracy; give Itamaraty a more expeditious and even more efficient structure, particularly for defending Brazilian citizens abroad; and improve the laws regulating the Brazilian diplomatic service, especially as concerns professional careers. [end recording]

Cardoso added that Brazil is a great country that should not be afraid of participating in the international arena:

[Begin recording] We should regard our priority partners and the international arena as a field for opportunity, without being afraid of participating. We are a great country and our diplomacy commands respect throughout the world. Our behavior has always been based on diplomatic instruments that have sought legitimacy in broadly negotiated agreements. This entitles us to advocate a fair and balanced international order as the best guarantee for universal, lasting peace. [end recording] [passage omitted]

Sanctions Wage Law, Assesses Government Work

PY2904025195 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 28 Apr 95

[FBIS Translated Excerpt] President Fernando Henrique Cardoso today sanctioned the law that sets the minimum salary at 100 reals, and that increases social security allowances by 42 percent. [passage omitted]

The president took advantage of this opportunity to make a rapid assessment of the first three months of his government.

He said the government today has 1,600,000 hectares for settlement of 40,000 families this year.

In the health area, a program for reducing the mortality rate among children has already been started and will benefit 550 counties. Funds were also released for resuming the milk distribution program.

In the education sector, 250 million reals will be provided for expanding schools and for other programs.

The president also announced that funds will be released for building new prisons.

He added that payments for hospital services are up to date and that the National Monetary Council has approved allocation of the necessary funds for the housing program, which will be implemented by the Federal Savings Bank to benefit lower income sectors.

[Begin recording] All this was done in three months. The social area has been restructured, and while fruits will come with time, they are already in sight. Yet the fact that we are emphasizing today is, above all, that it has been possible to increase the minimum salary without a deficit in the social security sector, and with an increase for retired workers.

This government has immense social awareness. This government is directly concerned about retired workers and about workers earning a minimum salary. But it is a responsible government that first creates the conditions in order to grant what is possible to grant. Otherwise, what is given with one hand would then be removed by the other, because inflation would immediately grow, and because the state's fiscal disorder and public account imbalances would again impose a heavy burden. Therefore, instead of the panorama that I have just described—of a real increase in workers' purchasing power and of a reduction of the cost of the basic product basket—we would in a short time be announcing the opposite of that. [end recording]

Chile

Cuba Agrees to Designation of Current Consul as Ambassador

PY2804125995 Santiago EL MERCURIO in Spanish 25 Apr 95 p C2

[FBIS Translated Excerpt] The Cuban Government has agreed to the designation of career diplomat Patricio Pozo as Chilean ambassador to Havana.

Pozo was Chilean consul general when diplomatic ties between Chile and Cuba were severed following the 11 September 1973 military coup. [passage omitted]

The Cuban Government has yet to request the Chilean Government's agreement for its ambassador to Santiago.

Cuban Charge d'Affaires Humberto Hernandez was consul general to Chile at that time—like Pozo in Havana. He said on Sunday in Punta Arenas that the name will be released in approximately 10 or 15 days, after the Cuban Council of State ratifies the name for which "agreement" [preceding word in English] will be sought.

It is believed Cuba will follow Chile's lead and name Hernandez as ambassador.

This has been confirmed by the consul general himself, who said: "The initial idea was that both consuls—Chilean Consul to Havana Patricio Pozo and myself—would assume as ambassadors, but this depends on the decision of higher-ranking officials."

Investment Protection Agreement Signed With Czech Republic

PY2804181395 Santiago EL MERCURIO in Spanish 25 Apr 95 p C7

[FBIS Translated Excerpt] The governments of the Czech Republic and Chile yesterday signed an investment protection and promotion agreement and are studying the

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signing of other instruments to suspend the need for visas and to prevent double taxation.

The agreement was signed by Czech Finance Minister Ivan Kocarnik and Chilean Foreign Minister Jose Miguel Insulza during a ceremony to mark the first official activity of the Chilean foreign minister during his visit to the Czech Republic.

Insulza gave his Czech counterpart Josef Zieleniec a letter from President Eduardo Frei to Czech President Vaclav Havel in which he officially invites Havel to visit our country.

Zieleniec expressed his government's decision to support the Chilean candidacy as a permanent member of the UN Security Council for the 1996-97 period.

The Chilean foreign minister is touring some Central European countries. After visiting the Czech Republic he will visit Hungary. [passage omitted]

Insulza yesterday met with the Czech finance minister, with whom he privately discussed the two economic situations, and agreed to stress the similarities of their democratic transition experiences.

Minister Kocarnik expressed special interest in the privatization process in Chile and bilateral cooperation projects.

Insulza and Kocarnik reviewed the situation in Latin America and in Central Europe. [passage omitted]

During a news conference, Insulza was asked about the Mexican financial crisis and its impact on the rest of Latin America. The Chilean foreign minister said this episode was blown up by the international press.

He said: "It was a serious financial situation that was probably aggravated by a complex political situation. It was not a generalized economic crisis, and we are certain it will be overcome very soon."

Concerning the possible consequences of this on Chilean aspirations to join NAFTA, Insulza said it could cause some complex problem because of the U.S. tendency to look at Latin America as a whole.

He said: "For this reason, those U.S. sectors that opposed the presence of Mexico in NAFTA are now opposed to Chile's entry. Mexico is concerned that opening negotiations with Chile will be sufficient reason to renegotiate its presence in NAFTA, which the Mexicans will not accept." [passage omitted]

Russian Ambassador Denies Charges of Weapons Trafficking

PY2804192095 Madrid EFE in Spanish 2244 GMT 27 Apr 95

[FBIS Translated Excerpt] Santiago, 27 Apr (EFE)—Russian Ambassador to Chile Vasiliy Gromov said today that charges against the Russian Embassy about a supposed involvement in weapons trafficking with the Russian state company of Uralaz trucks are "slanderous."

Speaking to the local press accredited to the Chilean Foreign Ministry in Santiago, the ambassador explained that it is a deal between two companies and they are the ones to deal with such accusations.

According to a rumor disseminated by Anatole Gubin, the former executive officer of the Chilean-Russian Uralaz Chile Limited, the company is reportedly using the sale of "Ural" trucks as a facade for the traffic of weapons and money laundering in Chile, especially for funds from the dissolved Soviet Communist Party.

"Those companies should not attack the Russian Embassy in Chile and its good relations with this country," said Gromov—visibly annoyed [passage omitted]

Growth of Protestant Churches Viewed

95SM0284A Santiago LA NACION in Spanish 14 Mar 95 p 11

[By Raul Madrid Meza]

[FBIS Translated Text] Every Sunday 15,000 worshipers crowd the more than 5,000 square meters of floor space in the Evangelical Cathedral of Santiago, located in the Central Station district of the city. This Protestant church—the largest in the nation—is finding it increasingly difficult to accommodate the followers of the Pentecostal Methodist Church of Chile.

The Pentecostal Methodist Church of Chile split off in 1909 [as published] from the Methodist Episcopal Church, which had been introduced into Chile by U.S. missionaries. The new denomination was founded that year in Valparaiso by 36 persons who were "inspired" by the Holy Spirit.

According to its own data, today—75 [as published] years later—the church has 1.8 million members and 5,125 churches throughout the nation. This makes it the largest evangelical church in Chile.

The church's public relations director, Eduardo Duran, says that its growth has been impressive. Whereas until 1993 it had grown at a rate of between 5 and 6 percent per year, the rate increased in 1994 to 9.4 percent, according to calculations made at the recent international conference held in Santiago.

But this boom [preceding word in English] is characteristic not solely of the Pentecostal Methodists but also of virtually all the Protestant denominations, such as the Pentecostal Evangelical Church, the second largest Protestant denomination in our country; the Methodist Church of Chile; the Evangelical Presbyterian Church; the Evangelical Lutheran Church; and the Anglican Church.

According to the 1992 census, these groups total 13.3 percent of the population over 15 years of age, while the

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Catholics total 76.6 percent. Moreover, the official data of the National Statistics Institute indicate that in recent years the evangelicals recorded a growth of 5 percent while the Catholics were sustaining a 4 percent decline.

Chilean society is quite religious, and the figures reflect it. The currents of modernism—which presumably have led to a decline in religiosity—have not reached Chilean society, contrary to the experience of other societies.

However, this is not sufficient by itself to explain the rapid increase in the evangelical creeds, especially in the working-class sectors of the population.

In the opinion of the sociologist Arturo Chacon, professor at the University of Chile and at the Evangelical Theological School of Chile, the Protestant denominations—especially in Latin America—are an expression of those sectors of the population that have been excluded from the political, economic, and social processes. Chacon explains that generally speaking, these sectors represent the poorer strata of the population. As a result, many Chileans who feel they have been marginalized—the Indian population, for example—have embraced this faith, and on a massive scale.

Another explanation, Chacon says, is the way in which the evangelical churches deliver their message, together with the way in which the message is experienced by those who receive it. "These organizations," he explains, "treat people as human beings who are worthy of respect."

From the theological point of view, he adds, the explanation has to do with the fact that when people become participants in the evangelical churches they do so voluntarily, without any form of pressure, and after joining are able to carry out initiatives on their own, such as outfitting new places of worship, sometimes using their own homes for the purpose; teaching other persons; and preaching—all of which they are fully empowered to do.

These Protestant churches—although they arrived in our country almost simultaneously with the beginning of our independent existence, and specifically with the arrival of Protestant traders—complain, however, that there is an absence of genuine pluralism in our society.

"There is freedom to worship, but not religious freedom," Eduardo Duran says. "There is not equality of treatment vis-a-vis the Catholic Church." For this reason, he adds, the evangelicals are waiting for laws that will truly guarantee equal treatment. Duran is referring to the bill that was introduced in Congress in October 1993 and that remains without result.

Among other things, Duran says, the evangelicals are petitioning for greater access to public officials, for legal recognition, and for opportunities to expand their activities, such as their prison outreach program and the right to have chaplains in the Armed Forces, where they are still unable to conduct services. The Air Force and Navy, he adds, are more explicit in their refusal.

[Box, p 11]

Twenty Percent by the Year 2000

If the present rates of growth are maintained, 20 percent of the Chilean population will be evangelical by the year 2000. This represents a considerable increase over the figure for 1970, when only 6 percent belonged to that creed.

It is estimated that there are approximately 2,500 evangelical denominations in Chile, grouped into various classifications. The classifications are usually related to the origin of the denominations and to the particular social stratum in which their followers are found.

Most of the older denominations arrived from Europe at the beginning of the Republic. Generally speaking, they established themselves in the upper strata of the population, as in the case of the Anglican and Lutheran churches.

The other denominations are associated with the waves of missionaries that arrived in Chile from the United States in the middle of the 19th century. Their followers are found in the middle and lower strata of society.

The third variant is the domestic or Pentecostal churches that were born of the break with the Methodists. These predominantly working-class churches are well established in the poorer districts and are the ones that have consistently recorded the highest growth rates in the past 10 years. Many of these churches believe that the official statistics do them an injustice and that the evangelicals probably already represent more than 20 percent of the population.

Legislators Review Proposed Press Law

95SM0284B Santiago EL MERCURIO in Spanish 15 Mar 95 p C7

[FBIS Translated Text] Valparaiso—With the elimination of some 15 regulations that penalized the exercise of freedom of speech and information and the practice of journalism, the Committee on the Constitution, Legislation, and Justice of the Chamber of Deputies yesterday concluded its study of the bill that embodies a new Press Law.

However, the committee held in abeyance—pending a second and more profound analysis—its decision concerning certain regulations that pertain to the concentration of ownership of the media. It proposes to empower the Antimonopoly Committee to regulate this matter. Also pending—in the form of a separate chapter—are instructions that pertain to the traffic in computer data.

The chairman of the committee, Sergio Elgueta (DC [Christian Democracy]), and Deputy Luis Valentin Ferrada (RN [National Renewal]), a committee member, emphasized that all the members of the specialized congressional group were motivated—during the discussion of the bill—by a firm determination to strengthen freedom of speech in all its forms. Their determination was reflected

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in the elimination of numerous categories of crimes and in the reduction of penalties for the exercise of the freedoms that are protected in the bill.

With Jose Joaquin Brunner, the minister secretary general of government, in attendance, the committee yesterday resumed its study of the bill immediately after the government assigned to the bill the classification of simple urgency subsequent to transmitting Articles 60 through 91 of the permanent articles, plus the four temporary regulations. Articles 6, 11, 12, 13, 15, 20, 30, 33, 40, 56, and 58 remain in abeyance and are scheduled for study and transmittal next week.

At its meeting yesterday the committee eliminated the three articles (60, 61, and 62) that penalized the illegal practice of the profession of journalism, because it believed that the penalty for the crime of the illegal practice of journalism is clearly established in Article 213 of the Penal Code, which provides a term of imprisonment of not less than 61 days and not more than three years for the illegal and spurious practice of the profession of journalism, as determined by the provisions of this law, which defines who are journalists and who are not.

The committee approved a number of regulations contained in the bill that pertain to liability and procedure (more than 20 provisions) and that attempt to reflect the following basic concepts: a) Crimes committed under the provisions of this law shall be tried in the regular courts of justice; b) the usual procedure shall be followed; and c) with respect to the crimes of slander and libel, the procedure followed shall always be the procedure established in the Code of Criminal Procedure, regardless of the identity of the persons involved and regardless of the court that is trying the case: that is to say, there can be a summons, which can lead to an agreement, whereby the liability can be extinguished by means of a consent decree.

In all of the regulations that have been approved, it is established that all crimes covered in this law shall be tried in the regular courts. The only crimes that will be subject to the military tribunals are those crimes covered in this law that are committed—in the exercise of the freedoms of speech and information—by military personnel or among military personnel, who will have their own tribunals in accordance with the Code of Military Justice.

In addition, numerous regulations are established concerning the payment of compensation and concerning the types of liability that pertain to the media but that in general are covered by civil law, whereby compensation for all damage in the form of lost profits, mental pain and suffering, and the expense of bringing a civil action to obtain compensation for damage and prejudice can be paid to the affected persons, or to their family members in the event of the death or incapacity of the plaintiffs.

In the belief that it is unconstitutional, the committee eliminated the provision that obliged the media to obtain insurance to cover any monetary compensation that the courts may order their employees to pay.

It accepted a regulation that provides for the publication of abridged versions of any denial, at the expense of the offending party.

It eliminated a regulation—proposed by the executive branch—that established a new crime under the State Security Law, because the proposed regulation placed low-level civil servants in a position to determine whether or not a crime had been committed—and to report their findings to the governor—in the event that any report or other communication that could constitute a crime punishable by the State Security Law is transmitted by mail or by a telecommunications medium.

The committee eliminated the second temporary provision, which provided that upon promulgation of this law, those persons who are practicing the profession of journalist without possessing a professional degree from a university—or without having been recognized as a journalist under the provisions of a previous law—may continue to practice the profession if they can prove that they have practiced it on a regular basis during the past five years. The committee took this action on grounds that all of the above is regulated in Article Four of the bill.

The committee approved the third temporary provision, which obliges military judges and courts martial to transfer—within a period of 15 days—to the respective Court of Appeals all pending trials for crimes committed in the course of exercising the freedoms of speech and information.

Coalition Forms Coordinating Committee

95SM0284C Santiago LA NACION in Spanish 18 Mar 95 p 7

[By M.P. Moya and M. Oliva]

[FBIS Translated Text] The executive committee of the government alliance yesterday agreed to create a political-technical committee for the purpose of coordinating the divergent positions existing within the Concertation coalition with respect to the health care enterprises and other matters pertaining to the economic and social agenda.

Following a tense meeting among the presidents of the principal parties of the coalition—Alejandro Foxley IDC [Christian Democracy]); Jorge Schaulsohn (PPD [Party for Democracy]); Anselmo Sule (PRSD (Radical Socialist Democratic Party]); and Camilo Escalona (PS [Socialist Party])—it was reported that the coalition will seek to "overcome the disagreements that have developed within the coalition and open up room for discussion that can avoid these tensions."

The committee will consist of members of the boards of directors of the parties in the coalition. It will begin its deliberations next week with the aim of preventing "the parties from being dragged into perfectly avoidable conflicts that result from instances of insufficient coordination with the executive branch."

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Tensions

The debate over the future of the health care enterprises altered the internal climate of the Concertation alliance in an unpredictable way and was transformed into a political conflict when the privatization proposal drafted by the Secretariat General of the Presidency was leaked to the press.

This leak—which was reported to have come from inside the Treasury Ministry—caused discomfort not only to the party leaders but also to Minister Arriagada, because it disrupted the strategy that the political team had devised to ensure speedy action on the government's proposal.

The original plan to announce the proposal to the parties as soon as President Frei returned to Chile to preside over the debate was thereby thwarted, and this elicited among other things a protest from the DC leadership because it first learned of the privatization formula by reading about it in the newspapers.

The openly contrasting positions of the PS—which wanted the ceiling for the stock transfers to the private sector to be set at 49 percent—and that of the PPD, which tended to favor privatization of the majority of the stock of Corfo [Production Development Corporation], in this way became polarized.

The debate carried over—with no less bitterness—to yesterday's meeting of the presidents of the parties of the Concertation coalition. The obvious breakdown of the government's action in this area became apparent at the Thursday meeting of the political committee and led to a kind of gentleman's agreement to "wash the dirty linen in private."

It was, therefore, agreed at the meeting not to reveal the opposing positions of the parties publicly, and to say only that the matter was "under study" while the respective positions were being brought closer together, but Jorge Schaulsohn's press conference early yesterday reaffirming his support for the executive branch disrupted the plan.

The Socialist Party's prompt reaction—and the DC's annoyance at this mode of operation—found its maximum expression at the meeting of the Concertation coalition.

DC President Alejandro Foxley's reaction was the most severe. He reportedly let Schaulsohn know—in a lengthy conversation—of his disapproval of the public polarization of the debate.

UCCP Breaks Ties With RN; RN Reaction

95SM0284D Santiago LA NACION in Spanish 31 Mar 95 p 6

[By Claudia Valle]

[FBIS Translated Text] The UCCP [Center-Progressive Center Union] yesterday announced that it regards as definitively ended any present or future political action in collaboration with the National Renewal [RN] party because of the "futility of wasting any effort in the expectation of a change in attitude on the part of the president of that organization," Deputy Andres Allamand.

This announcement was made yesterday by the supreme leader of the UCCP, Angela Vivanco, immediately after holding meetings with the RN leadership and the decision-making organs of her own party.

According to the centrists [the UCCP], this decision is primarily a reaction to Allamand's action with respect to various matters, such as the subordinate debt; municipal government; the accusations of narcotics use among members of Congress; the attacks on UCCP leaders; and the plan to welcome Deputy Valentin Solis, formerly of the UCCP, into the RN ranks, which was the episode that triggered the split.

UCCP President Angela Vivanco said that the differences with Allamand are increasingly serious, because, she explained, "he has chosen to defend the banks, which—to the detriment of all Chileans—do not want to pay off the subordinate debt with the Central Bank, thereby justifying automatic capitalizations that are as scandalous as they are unnecessary."

Another of the matters in dispute is the lack of desire on the part of the RN to democratize the existing political system, which in the opinion of the Errazurizists [the UCCP] distorts the people's will.

The UCCP president alluded to the differences with Allamand that have arisen over the issue of narcotics in Congress. The RN president, in her opinion, "rather than encouraging openness and self-investigation on the part of public servants, has chosen instead to erect a defense of those who have nothing to hide."

She further stated that the decision by the RN resulted from "the determination of the current RN leadership to maintain a political system that favors the top officials of the political parties to the detriment of the people, especially at the municipal level."

To all this one should probably add the increasing difficulties that the opposition alliance is encountering in its efforts to create a genuine governmental alternative. The ultimate aggravating factor for the centrists, she said, was the fact that "the RN president wants to enlist in his ranks a congressional deputy who was expelled from the UCCP after he publicly declared that he had compromised his activism in exchange for a financial consideration."

Although the effect of this action by the UCCP was the breakup of the Union for Chile [as published] pact, Angela Vivanco said that it represented the end of relations with the RN more than it represented abandonment of the opposition coalition.

She explained that her party had not renounced the pact—which it had originally signed with the UDI [Independent Democratic Union], and which the RN signed only later—inasmuch as the UCCP will merely cease to act

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in concert with the RN. As a result, she said, the UCCP's operations will be limited henceforth to bilateral actions.

[Box, p 6]

At a meeting scheduled for 0930 hours today, the boards of directors of the RN and UDI will adopt a resolution concerning the continuation of the UCCP in the opposition coalition.

Acting in the absence of Andres Allamand, RN Vice President Roberto Ossandon said that the statement in which Senator Errazuriz's party announced its desire to withdraw from the opposition coalition "accurately reflects his image as someone who resorts to personal attacks and to gratuitous and unfounded insults—a technique that we thought we had finally put behind us in Chilean politics."

Senator Sebastian Pinera said that the statement by the centrist party "is an example of political disloyalty, personal hatefulness, and unethical conduct that has no equal."

He insisted that the reasons given by the Errazuriz leadership for its withdrawal are "totally at variance with the truth and constitute unacceptable affronts to someone who unquestionably does not deserve such treatment."

In forecasting the consequences of the withdrawal of the UCCP from the Union for Progress [as published], Deputy Alberto Espina insisted that "the party's electoral and political strength will not be diminished."

Colombia

Government Aircraft Fires at Town of Miraflores

PA3004033595 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 30 Apr 95

[Report by Alejandra Villamizar from the "AM/PM Newscast"—passages within quotation marks recorded]

[FBIS Translated Text] [Unidentified announcer] A government aircraft has fired at Miraflores, Guaviare, for the second time. State and guerrilla attacks do not respect the defenseless people who are not part of the conflict. A woman was killed in this official incursion. The following report summarizes the attack on the population, which the Armed Forces first illuminated with flares.

[Villamizar] This is war, but not in Rwanda or Chechnya. It is 0100 on Tuesday, 25 April, in Miraflores, Guaviare. This is the official response to a guerrilla harassment action. It is the second time this month a plane has overflown and fired at this town, and the result was five injured by grenade shrapnel and one dead, Maria Leida Vargas, who did not manage to hide on time:

[Paula Andrea Rendon, Vargas' daughter] "We were walking on the street after the crossfire was over. When we were near our shelter, lights from the police post were aimed at us, and I rar inside when I felt a grenade had been fired. That grenade hit my mother and another woman."

[Villamizar] Maria Leida had arrived from Manizales four months ago to visit her daughter and to work. A string of injustices sent her away on this day. Her four orphaned children are waiting for her. This story could be repeated, because the firing could begin anytime, and bullets do not choose their targets:

[Miraflores resident Mercedes Salinas] "We feel they are actually aiming at us. They are being too harsh on us. The police are firing at the people."

[Villamizar] The shields of zinc and wood are no longer good, the reason why they hide in trenches as war moles, one in each house, one per family, and one in the hospital:

[Unidentified speaker] "[Words indistinct] ...in case of attacks on the hospital."

[Villamizar] The situation has prompted the members of the medical team to consider resignation, because they are exposing their lives in vain.

The sin of these people is to survive in the middle of the jungle. They are accused of being coca growers and supporting the guerrillas. They are involved in the war without knowing about the existence of international humanitarian rights, Protocol II, and regulations protecting them as civilians. They only know the bullets will return.

Prospects for Peace Talks Assessed

95CA0200A Santa Fe de Bogota EL TIEMPO in Spanish 9 Apr 95 pp 4, 5A

[Commentary by Enrique Santos Calderon: "The Commissioner Has No One To Write to Him"]

[FBIS Translated Text] Nor does he have anyone to give him another chance with the issue of peace. Counselor Holmes Trujillo has announced that there may be a dialogue with the FARC [Revolutionary Armed Forces of Colombia] at La Uribe. Yamid Amat has held an exclusive interview with the ELN's [Army of National Liberation] Galan at the Model Jail. Newspapers and newscasts are again filled with reports on possible negotiations. I see nothing new, nor any reasons for becoming enthusiastic.

It annoys, and even worries me to always appear as a kind of ex-officio objector, an "enemy of peace," as they usually describe me at VOZ PROLETARIA.

But the fact is that over 20 years of contending with guerrillas and the military, with Betancur or Gaviria-type peace processes, and with dialogues in the style of the "Eme" [M-19 (19 April Movement)] or the EPL [Popular Liberation Army], the FARC, or the ELN, force me to be realistic: skeptical, if you will; and to say what I think. As a journalist who has been occupied with this issue, I cannot engage in wishful thinking. Most of all, I cannot contribute to the creation of false illusions of peace among a people longing for it so profoundly.

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About the mid-1970s, in the days when I wrote for ALTERNATIVA, I was a virtual apologist for the guerrilla armed struggle, still impregnated with Camilo's blood and the sacrifice of so many student leaders and honorable young people who believed this to be the path toward a more just society.

Later, when it became obvious that this was not the right course of action, and that any ideal had been perverted by the systematic cult of violence, under Belisario I participated in dialogue commissions in Cauca, Cordoba, and Uraba, with M-19 and the EPL: two guerrilla movements that had by then realized the political injustice of the armed struggle. Then came the Barco government, with trips to La Uribe and Caguan, and many attempts to implement the FARC's always clever peace proclamations, amid the well-known series of attacks and kidnappings.

And, after Barco, and the demobilization of M-19, the EPL, and other small armed groups, came Gaviria's attempt at peace with the FARC, the ELN, and the EPL dissidents. I realized at the outset that it would not work, not for lack of a will in the government (perhaps because of its naivete), but rather because of the way in which it was proposed at the start by those never willing to understand the political process opened by the Constituent Assembly, nor giving any convincing sign of their willingness to abandon violence.

The frustrating Calvary represented by the dialogues in Cravo, Norte, Tlaxcala, and Caracas, and the repeated evidence that they had no proposals nor intentions other than to use these scenarios as tools for publicity stunts, should at least have taught the Colombian State not to be unwary in its negotiating strategies.

Then came Samper, with irrepressible desires for making peace. But the president who has shown the greatest willingness is the one to whom the least attention has been paid. He has been left none the wiser.

Apart from a few laconic letters that they have deigned to send, with their perpetual slogans about social justice and demilitarization, the fact is that the subversives no longer even seem concerned about the issue of peace.

What more impressive example of the preceding could there be than the kidnapping of the Swedish engineers, and the cynicism with which the FARC have failed to keep all their promises to release them? If they mock a government such as that of Sweden, and human rights goups such as Pax Christi (their natural sympathizers abroad), what can be expected of their sincerity for negotiating with the Colombian Government?

And, despite everything, the government has once again declared itself willing to hold dialogue. And that altruistic, admirable apostle of peace that Carlos Holmes Trujillo has proven to be announces that all the FARC's petitions have now been accepted: that the dialogue be direct, on a high level, inside the country, and, finally, at La Uribe. Holmes has only requested that they not bring up the demilitarization of the over 7,000 square km comprising the region, but only an area defined by mutual agreement, with full guarantees of safety for the negotiators.

What is needed now is the FARC's response to this new concession from the State, although Holmes admits that they have not answered letters that he sent them over a month ago. I fear that he will be left waiting.

Something similar has occurred with the ELN, which had done nothing but talk about the "humanization of the war." But when the government became affiliated with the Geneva Protocol II, the ELN forces did not open their mouths again. Of course, respecting the non-combatant civilian population would mean stopping the kidnapping, the extortion, and the "leg-breaking" mines. The attitude of that group was summarized by Francisco Galan, when he suggested to Yamid Amat that, instead of peace, "why didn't they talk about war?"

It is a noble, although sad role that Holmes, who has distinguished himself by his discretion and sincerity, is called upon to play. It is a shame that he has no one with whom to talk. In fact, returning to my ex-officio objections, ever since Samper mentioned that position for the first time, I have said that the naming of a peace commissioner seemed counterproductive to me, when there was not the slightest indication that negotiations would take place.

And meanwhile, the war continues. Ambushes, occupations, oil pipelines blown up, and, particularly, kidnappings, extortion, and assassinations of mayors and political leaders, are occurring. Far more than the military action per se, it is the economic action that currently typifies the evolution of the guerrilla movement.

The sophisticated financial structure that the ELN was discovered to have in Arauca, and the killing of landowners to take possession of their farms and run them as businesses, are only two recent indications of the cult of money and the economic ostentation evinced by a guerrilla movement without political prospects. What about the letters from the Ituango coffee-growers to the FARC, asking them for help, so that they would be able to pay the "vacuna" [protection money]?

That is why it is so difficult to hold negotiations: because the State has little to offer a guerrilla movement for which peace is simply bad business. This does not mean that it should not give up seeking peace, nor revealing to the country who the champions of violence are.

The door to peace should always remain open, so that whoever wants to knock or enter may do so. But, while pursuing dialogue so diligently, the government should not forget how to defend itself either. It would be more useful for it to become better prepared for the rationale of the battle, which is what its scornful interlocutors have shown that they prefer.

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Billion Pesos Offered for Kingpins' Capture

95WD0254A Santa Fe de Bogota EL ESPECTADOR in Spanish 7 Apr 95 p 9A

[FBIS Translated Text] Santa Fe de Bogota—The national government has decided to launch another advertising offensive to locate the members of the Cali Cartel's top echelon.

The present type of advertising that is transmitted through the television media, in which rewards in the millions are offered for members of the Cali and Valle Cartels, will be totally restructured.

The National Police copywriters are working on different posters and various television spots that will be replacing the current commercials.

The innovative advertising campaign, approved by Brigadier General Rosso Jose Serrano Cadena, the National Police director, who will place it at the disposal of Defense Minister Fernando Botero and President Ernesto Samper, is intended to "contend directly" with the criminal organization.

The notices will carry printed photos of the leading drug traffickers, some of whom have had warrants issued for their arrest by the Office of the Prosecutor General.

The photos of Miguel and Gilberto Rodriguez Orejuela will appear on these posters. For each of them, a billion pesos will be offered to anyone supplying concrete information that proves useful in locating and capturing them.

Another 50 million pesos will be given to the one or more persons providing clues that make it possible to capture the identified kingpin of the Cali Cartel, Jose Santacruz Londono, alias "Chepe"; Helmer Herrera Buitrago; Pacho Herrera; Fanor Arizabaleta Arzayuz; Victor Patino Fomeque, alias "El Quimico" or "El Papi"; and Henry Loaiza, alias "El Alacran." All of these individuals have lengthy records.

Hundreds of Informants

The police decided to retain the same telephone lines that they have been using to receive calls from informants. They are now studying the possibility of including other numbers on the posters, to which calls also may be made to furnish information.

Through the solidarity line in Bogota, 85 calls have been received in all concerning the presumed whereabouts of the drug traffickers. Several of them have made it possible to conduct a series of raids at establishments and apartments in the city of Cali, where documents and communications equipment belonging to members of the aforementioned criminal organization have been discovered.

The police telephone numbers in Bogota are 2222100 and 2225012; and to call long-distance (toll-free for the caller), the numbers are 9800 10600 and 9800 10112.

Several informants have chosen to appear in person to provide information to the police. Two weeks ago, two persons arrived from Cartago and Tulua, contributing information on the kingpins.

Reward System for Kingpins' Arrest Praised

95WD0254B Santa Fe de Bogota EL TIEMPO in Spanish 8 Apr 95 p 4A

[EL TIEMPO editorial: "The Rewards"]

[FBIS Translated Text] It is indisputable that the cooperation of citizens, especially in supplying information on matters that come to their attention, is one of the most effective instruments in the battle against crime and criminals of all stripes. Such cooperation is a genuine civic duty, because it involves rescuing the community from the harmful behavior of antisocial persons which, in the specific case of drug traffickers, exceeds all bounds. Also true, however, is the fact that some kind of incentive should be given for that indispensable cooperation, so that it may bring its greatest effects within a short time.

Hence, the measure adopted by the national government, offering sizable rewards to those who provide information leading to the capture of the chiefs of the so-called Cali Cartel and its main collaborators, is as explicable as it is justifiable. Insofar as Gilberto and Miguel Rodriguez Orejuela are concerned, the reward will be a billion pesos for each of them. And, as for their direct collaborators, Jose Santacruz Londono, Helmer Francisco Herrera, Phanor Arizabaleta, Victor Patino, and Henry Loaiza, it will be 500 million pesos.

What a good idea it would be, and let us hope that it is applied, if the sums offered were increased with a contribution from the United States. If the U.S. authorities were to offer another amount equal to the Colombian contribution, there is no doubt that information facilitating the capture of the Cali kingpins would be forthcoming.

Peasants Attribute Crop Loss to Glyphosate

95WD0263A Santa Fe de Bogota EL TIEMPO in Spanish 7 Apr 95 p 3A

[Article by special correspondent Jose Domingo Espinosa]

[FBIS Translated Text] Villavieja (Huila)—The few signs of life remaining in the La Tatacoa desert, 75 km north of Neiva, have begun to disappear.

Ninety families, who have lived in thatched cane and mud huts for decades, raising cattle and herds of sheep and goats as well as cotton, tomato, pepper, muskmelon, and watermelon crops, among other products, are thinking of leaving the region.

According to charges made in the community itself—by the political leaders in Villavieja, the local human rights ombudsman, Jorge Luis Rodriguez, and Mayor Hernando Rubiano Rojas—the reason is that unidentified planes

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have been fumigating the area with glyphosate, even though there are no illicit crops there.

It is uncertain who ordered the application of the chemical in that area. The police claim that the La Tatacoa desert is not included in the fumigation plan. They reject any possibility that the pilots hired to carry out the fumigation in areas actually containing illicit crops may have been bought by the "narcos" to apply the herbicide elsewhere.

However, there is a rumor that the pilots refrain from going to the area where the illicit crops are, for fear of being shot by the guerrillas. Nevertheless, this possibility was denied by the pilots themselves.

The Villavieja human rights ombudsman claims that, according to the complaints from the region's inhabitants, the fumigations with glyphosate in the La Tatacoa desert are being carried out by counternarcotics police aircraft.

The Damage Is Done

The peasants say that the damage is so extensive that even the cacti are dying in the desert.

The charge—already known to the Attorney General's Office, the Office of the Public Defender, the Agriculture and Environment Ministries, the departmental government, and the environmentalist organizations—has generated an intense controversy in the department regarding the authorities' responsibility in this matter.

EL TIEMPO visited the area to investigate the repeated complaints heard last month on the subject, and discovered that, in fact, the tomato, pepper, and muskmelon crops have been seriously damaged, and that some animals have died under strange circumstances.

This situation also was confirmed by the agrarian ombudsman in Huila, Edgar Bolanos. However, the official remarked that this damage could not yet be claimed to have been caused by fumigation with glyphosate, because the laboratory tests are just now being conducted.

The farmers maintain that, within less than a month, over 100 sheep and goats that consumed the recently fumigated grass have died. "It gives the animals diarrhea; they begin to drool and become weak; and in less than 24 hours they are dead."

They Fumigate Tourists

Evidence such as this, along with the proof obtained by the fiscal and environmental control agencies, which has been sent to Bogota, will be what ultimately helps to determine the causes of the environmental damage occurring in the area.

Accounts given by the community indicate that, since last January, small gray airplanes have been making frequent visits to the region. They fly low and eject the herbicide which, when released, appears dark. Later, it returns in the form of a white rain.

A tourist guide remarked: "Not even the gringos have been saved from the fumigation." He added that excursion groups from Cali, Medellin, Bogota, Neiva, and the Coast, as well as Swiss and Germans whom he has taken to La Tatacoa, "have witnessed the poison rain."

Whether or not the gray planes or the counternarcotics police "turbo-thrust" aircraft are involved is reason for an investigation. However, the only request made by the peasants is that these fumigations be stopped, because not only are their animals and crops at risk, but their lives as well. They have to consume poisoned water from springs rising there, and from water holes and wells dug at great sacrifice.

A peasant from the Pachinga farm said that, last week, he buried five sheep that had died after the latest fumigation, ten days ago.

Other inhabitants, from Libano, Cabuyal, Cusco, and Los Mesones, argue that no one in La Tatacoa has ever contracted for fumigation, since everyone is poor. They maintain that there are no illicit crops in that region.

The farmers from Cerro Gordo, Pacarni, and Chivera, near the desert, claim that their crops have been burned, and are demanding compensation for the damage. Every hectare planted with tomatoes requires an investment of six million pesos.

The farm workers who are preparing the soil for new planting fear that they may lose their crops because of the fumigations. However, they are somewhat calmer now, because "those birds haven't returned during the past few days."

[Box, p 3A]

Police Deny the Stories

According to the Huila police, no operations of that kind have been conducted in the area.

The institution's commander in the department, Colonel Emel Aguilar, admits that there is, in fact, a fumigation program, but says that it is being applied to poppy growing areas.

In the official's view, "It is no secret to anyone that the Turbo-Thrust' planes have to fly through that region while enroute to the areas containing illicit crops."

Aguilar asserts that the herbicide has never been discharged over the desert region. He says that the sprayings are under the surveillance of officials from the Attorney General's Office, the National Council on Narcotics, and the Office of the Public Defender, among other monitoring agencies.

EL TIEMPO established the fact that some officials are limited to surveillance to ensure that there is no loading of small planes at Nieva's Benito Salas Airport, because it is a commercial airport.

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The damage also is claimed to have been caused by pilots making fumigation tests. However, these tests are conducted with water containing herbicide residues.

This story has not been denied by the Attorney General's Office, but the pilots declare that they have never engaged in discharges or tests in the La Tatacoa desert area.

The authorities also rejected the possibility of corruption existing among the men assigned to destroy illicit crops in Huila. They claimed that, despite the difficult environmental conditions that have impeded the normal eradication operations on poppy plantations, they are still being conducted.

Recently, in San Jose del Guaviare, it was rumored that the pilots, bribed by drug traffickers, were not fumigating the coca plantations but, rather, dumping the glyphosate in the jungle.

Last year, according to the police themselves, there were 40 shooting attacks against airplanes fumigating areas planted with coca, marijuana, and poppies. This year, ten such attacks have occurred.

Yesterday, evidence and sworn testimony were sent from Neiva to the Attorney General's Office.

Commentary Blames U.S. Vietnam Experience for Drug Problem

PA0105045695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 1 May 95

[Commentary by German Castro Caycedo from the "AM/PM Newscast"]

[FBIS Translated Text] History explains how the youth of the United States were corrupted with drugs in Vietnam and how it was they who, returning contaminated from Indochina—where they were given drugs before being sent into combat, according to the U.S. media—turned Colombia into their supplier. Of course, the North Americans do not remember this nowadays.

Twenty years ago today, the United States fled Vietnam, a country they had invaded 15 years earlier. It was the costliest defeat in their history. The military defeat, however, appears small compared to the human cost, because the United States is to a great extent responsible for having created a generation of criminals, suicides, and drug addicts.

According to figures provided by the U.S. Department of Veterans Affairs, the State Department, the Justice Department, and the New York War Veterans Hospital, this human situation is the true cost of the invasion. Approximately 740,000 former fighters are still alive. Of these, 175,000 are criminals who have been sentenced to prison terms; 150,000 have committed suicide [as heard], most of them under the effect of narcotics; and 300,000 are drug addicts.

The terrible consequences for us is that Colombia has been a victim of the invasion. U.S. soldiers were drugged so they would fight, according to the U.S. media, and they returned as addicts who sought out Colombia and turned it into a supplier of marijuana. Initially, the marijuana was planted by North Americans with U.S. dollars and transported by former fighters in U.S. airplanes.

Testimony in our possession shows how the U.S. Peace Corps served at the beginning as a contact for the former fighters. Afterwards, Peace Corps people and former U.S. fighters brought coca paste from Ecuador and Peru for the first time, and for the first time kilograms of cocaine were refined in Colombia.

They were the pioneers. They are the consumers. History tells us that Colombia, with its drug trafficking, is another victim of the Vietnam invasion.

The Vietnamization [Vietnamisacion] of Colombia began 11 years ago because of drugs: On 30 April 1984, Colombian Justice Minister Rodrigo Lara Bonilla was murdered.

Until then, President Belisario Betancur had refused to extradite Colombians, but the insult that the assassination of Colombia's justice minister represented to the country, and threats from the mafia, forced him to make this decision.

Since then, and for that reason, hundreds of Colombians, both illustrious and humble Colombians, including children, the elderly, and women, have died. The majority of them were innocent people.

In spite of this, today a certification is telling us that we must wage this war alone even though it was precipitated by addicts from the rest of the world.

The following in a very important point in the history of our latest bloodbath.

[Begin former Colombian President Belisario Betancur recording] Colombia will deliver criminals wanted for crimes committed in other countries. [lengthy applause] Colombia will deliver wanted Colombians. [end recording]

These are important dates that should be remembered, especially by those who now present themselves as victims when it was they who really led the world into the tragedy of drugs.

Ecuador

Preparations for Accession to GATT Viewed

95SM0297B Quito HOY in Spanish 17 Apr 95 p 4-A

[Commentary by Benjamin Ortiz Brennan: "A Silent Change," received via Internet]

[FBIS Translated Excerpt] Quito, 17 April 1995—Ecuador and Panama are the only two countries of Latin America which do not belong to GATT—the initials in English of the General Agreement on Tariffs and Trade. GATT is a worldwide structure for regulating the flow of trade and

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tariffs. It has been in operation since 1947, and is among the changes which have taken place in the world economy since World War II.

Such an absence reflects the extent to which Ecuador has isolated itself, a small country, from participating in commitments which would have forced it to lower tariff duties and adopt a series of standards aimed in the direction of free trade.

Perhaps this fact demonstrates how the weakness of the Ecuadoran state has made it impossible to impose general goals on private interests, none of which wished, at the time, to give up advantageous positions derived from the prevailing protectionism.

The "Uruguay Round" on world trade has led to a general revision of GATT standards, with the objective of providing a more open structure for this system of trade agreements. Ecuador did not attend the "Uruguay Round" negotiations, confirming once again the isolated position in which it finds itself.

In passing, it is worth pointing out that the case of Panama is different from that of Ecuador. Panama is a kind of "financial paradise," the headquarters of both good and all other kinds of trade activity, legal and otherwise. Panama has a different view of international economic regulations.

On 1 January 1995 GATT became the World Trade Organization [WTO], operating on the basis of waves of liberalization and once the U. S. and the European Union had overcome major differences on levels of protection and other reservations, particularly in connection with agricultural products.

One year earlier, in January, 1994, Ecuador began a series of complicated negotiations to achieve the reasonable objective of formally becoming a part of an organization which it will not be able to do without in the future.

The negotiations now under way presuppose a change in the conditions under which the economy functions in Ecuador. Although, possibly because this is an area filled with technical language or because Ecuador prefers to deal with these subjects behind closed doors, the Ecuadorans have barely realized what is going on, in terms of their own work and the form of their economy in the future.

The Office of the Vice President of Ecuador, which has supervised the negotiations on the entry of the country into the WTO, wanted this action to be completed by 21 April 1995, that is, two weeks from now. It appears that, in fact, this question will take a little longer, but not more than one or two more months.

The constitution of Ecuador, economic legislation, and the life of the people will certainly undergo changes as a result of joining the WTO, however, little of this has been discussed in public and little information has been provided regarding it. In Ecuador it is the custom to live on illusions, demagogy, and, at times, patriotic emotions for the masses, while basic questions are dealt with behind closed doors.

Some voices of concern and discontent have been heard now and then, especially from cattle raisers who consider that the levels of protection so far negotiated are too low and are mistaken in concept. Some individual voices have been heard from among the textile manufacturers. In that connection, I heard a textile manufacturer say that, "Vice President Dahik wants to turn Ecuador into a country of businessmen."

Time is passing and, although there is no set date, we are moving toward a change which, if it is properly negotiated, can be useful to the country, which cannot remain isolated for much longer. [passage omitted].

Commentary Analyzes Fujimori Victory

95SM0293C Quito EL UNIVERSO in Spanish 16 Apr 95 p 9

[Commentary by Alfredo Negrete: "Explanations of the Tsunami"']

[FBIS Translated Text] Peruvians are comparing the electoral triumph of President Fujimori to the enormous wave produced by submarine earthquakes. Ecuadorians, who foresaw it, but as a run-off election, were also very impressed. But neither group foresaw a victory of over 64 percent.

He is the first Peruvian president to be reelected in 70 years. He won the largest vote obtained by any president in this century, and more than half of Congress is in possession of the triumphant alliance, Change 90-New Majority.

Such a surprising outcome demands explanation, which may well transcend the Peruvian situation and serve to better understand the new political conditions of Latin America.

In the first place, it should be pointed out that the Ecuadoran-Peruvian conflict of 1995 was not the central and absorbing conflict for Peru that it was for Ecuador. Therefore, the costs of war and the burden of defeat did not have the effects predicted in analyses that were prepared in Ecuador. For Peruvian voters, Tiwintza never existed—while for Ecuador it is the most representative symbol of courage and victory.

From another point of view, if President Menem is reelected in Argentina, if concertation continues for long in Chile, and Fujimori lasts until the year 2000, it is possible that the period of populism and sectarian or blind partisanship may have given way, historically speaking, to models of economic modernization, with the expectation of more immediate distribution than that offered by the old historic actors.

Other reasonable alternatives to show the way to modernization are not available. The left is awaiting the failure of the cycle, and the other tendencies were left without leaders, and so the choice for voters is rather narrow. One either votes for the consolidation of a tough but stable model, or for some option from the past.

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Returning to the Peruvian situation, it is possible that many of the citizens of that country voted for victory over Shining Path and economic stability, rather than for Fujimori bathing in Cueva de los Tayos, campaigning on a bicycle, or acting the role of some Andean deity, dressed in a poncho.

In this new phase of reinforced presidentialism, which in the Peruvian case came about through the loss of prestige of Congress and the decadence of the political parties, social questions remain unresolved and dangerously urgent.

The ex-advisor to the World Bank, Francisco Sagasti, summed up in a sentence the triumph and challenge of the president-reelect: "Fujimori is capitalizing on hope." In other words, the great mass of that 64 percent is awaiting the immediate distribution of the results of economic reactivation; otherwise, what is democracy for?

In this analysis, the outcome of the recent conflict is less important for our neighbors than for us. For them, it is a problem to be solved by the demarcation of the line in the Rio protocol. Meanwhile, for the Ecuadorians, there is always the question of whether the military high command of that country, which suffered the greatest military defeat of the 20th century, shares such a judicious view.

Peru

Daily on World 'Terrorism' Wave, Need for Vigilance

PY2904023595 Lima EL COMERCIO in Spanish 21 Apr 95 p A2

[Editorial: "Wave of World Terrorism"]

[FBIS Translated Text] A series of bloody attacks, with a frightening number of victims and huge material damage, has just been perpetrated by international terrorism, shocking and causing obvious unrest to the rest of the world. This sinister wave started about one month ago in Tokyo, when a group of terrorists, still not fully identified, but who are believed to belong to the "Aum Shinrikyo" ["Supreme Truth"] sect, left lethal sarin gas bombs in the subway of this city, killing 12 people and harming several thousand people who had to receive medical assistance after inhaling the gas.

Up to this point, investigations have led to the aforementioned group of fanatics, whose sinister activities are only just now being uncovered, to the amazement of one of the most modern societies of this planet. That secret group with truly hallucinatory purposes managed to grow and recruit a great number of supporters in the shadow of this modern society.

We then have the attack perpetrated in the United States, in Oklahoma City, where a federal government building was almost completely destroyed by a "car bomb," causing a great number of deaths. The number of victims is yet to be determined because it continues to grow as time goes by and some of the wounded, numbering several hundred, die.

It is true that investigations have only just started, but there is the background of the attack perpetrated not too long ago in New York, with similar characteristics though not as brutal consequences. According to investigations, this attack was perpetrated by fanatical fundamentalist Muslims, some of whom are already behind bars.

In an address to his country, President Bill Clinton, who termed the attack "diabolical," has promised to fully clarify the attack and ensure the most severe punishment for its authors.

In this tragic review we must also include the one in Madrid, that same day, an attempt against Popular Party President Jose Maria Aznar, in which the same method of a "car bomb," was used. The responsibility for this attack can probably be attributed to the secessionist and terrorist group "Euskadi Ta Aaskatasuna" ("Basque Fatherland and Freedom").

Although the young politician fortunately emerged unwounded, which seems a miracle taking into account the state of his armored car, several people were wounded, among them an elderly lady and two policemen.

A second "car bomb" went off simultaneously in another part of Madrid, fortunately without causing casualties or significant material damage.

Finally, we can return to Japan, this time to Yokohama, where an attack similar to the aforementioned one was perpetrated. This also happed on 19 April. In other words, lethal phosgene gas, similar to the fatal gas used during the First World War, was released in the subway during rush hour.

Although more than 400 people were affected by inhaling this gas, and they are being treated and assisted, there were no fatalities as of the time this columm was written.

The most outstanding thing about this wave of terrorist attacks is the similar characteristics of the last three, taking into account the huge geographical area they cover—no less than three continents—something we mention as a significant fact. However, we should not come to a hasty conclusion; this is possible only after thorough investigations that may determine with certainty the authors and circumstances of these attacks.

Another outstanding fact is that all these attacks were perpetrated in highly developed countries, in which there are no alleged social excuses used so many times by antisocial individuals in the recent past.

Therefore, it seems that the authors belong to extremist fundamentalist Muslim groups and/or are members of those stray sects of fanatics that easily prosper in the tolerance, sometimes dangerous, of open societies.

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Moreover, one must take into account that the countries that have been the targets of terrorism were, as is only logical, in a state of alert due to the recent attacks perpetrated in their respective territories—which certainly includes Spain. In addition—and this is what is most serious of all—they have highly proficient intelligence services equipped with the most sophisticated electronic detection devices, which have, obviously, been unable to prevent terrorist attacks.

Therefore, in addition to regretting such painful events and voicing our solidarity to the victims, we deem it necesary to take into account that in our country, such a crafty cruel enemy seems to still be hiding, awaiting the slightest opportunity or sign of negligence, to again attack with its usual fierceness.

By no means are we trying to deny the comforting fact that terrorism in our territory seems to be truly retreating; we simply wish to point out that prudence suggests we avoid boasting and not slacken our vigilance.

'Painful' Oklahoma Bombing, Need for Solution Viewed

PY2904033295 Lima EL PERUANO in Spanish 24 Apr 95 p A12

[Editorial: "Even the Safest Nation on Earth Can Suffer Terror"]

[FBIS Translated Text] The unpredictable blow of terrorism has again massively struck with meanness and maliciousness in the famous democracy on earth, the United States of America.

The car-bomb that destroyed the Alfred P. Murrah Federal Building in Oklahoma City, which had more than 800 people inside at the time, of which at least 80 died (in addition to 150 missing and almost 500 wounded), has defied the widespread belief that attacks by more than one type of fundamentalism could never be perpetrated in the most developed country of the so-called First World—practically the heart of international security.

The violent death of dozens of people—the final figure will probably be known in weeks—at the hands of a group of fanatics (it is still not known if they are members of the Branch Davidian sect, which organized its own immolation two years ago in Waco, Texas; Arab terrorists; drug cartel members; or neo-Nazi racists) prove two things: It has not only destroyed the myth that it was impossible to have this type of lethal insurgent attack in the United States, but it also showed that whoever contradicts the establishment prevailing in that country feels in the fierce right to express such sentiment in the brutal way used in that peaceful state. And worse yet is the fact that blind fanaticism takes advantage of the system, basically having and using the freedom necessary, for example, to procure the means to carry out the plan of death and destruction.

It is worth pointing out how quickly the Federal Government reacted on various fronts in this serious case. It informed the public about the possible suspects in the huge massacre: Three individuals who are militants of an extreme rightist organization in the state of Michigan. It closed airports to ensure a better control of the whereabouts of the possible suspects. It instructed its embassies to coordinate information with Interpol and its internal security organizations. It intervened the best known fundamentalist groups operating in the country. It accelerated the introduction of legal reforms to restrict the right of civilians to carry arms, and its legal officials are ready to request the death penalty for those responsible for the mass murder.

For the good of a civilized society like the United States, we all hope for a prompt solution to this painful case, and that it never be repeated.

JNE Officially Discloses General Elections Final Vote Count

PY2904024995 Madrid EFE in Spanish 0023 GMT 29 Apr 95

[FBIS Translated Text] Lima, 28 Apr (EFE)—According to the National Election Board (JNE) today, Peruvian President Alberto Fujimori was reelected president of the Republic by a total of 4,798,515 votes, that is, 64.42 percent of the votes.

These figures obtained by Fujimori, candidate of the alliance Change 90-New Majority, are the results of the JNE final vote count of the general elections held in Peru on 9 April. This result was officially disclosed by a JNE resolution.

The official vote return states that former UN Secretary General Javier Perez de Cuellar, candidate of the Union for Peru Movement, obtained 1,624,566 votes (21.81 percent).

The third place, according to the JNE resolution, was obtained by former senator Mercedes Cabanillas, candidate of the center leftist American Popular Revolutionary Alliance (APRA), with 306,108 votes (4.11 percent).

Fourth comes economist Alejandro Toledo, of the Democratic Coordinating Movement-Peru Feasible Country, with 241,598 votes (3.24 percent), and fifth is Lima Mayor Ricardo Belmont, of the Obras Civic Movement, with 192,261 votes (2.58 percent).

The remaining nine candidates for the presidency of the Republic obtained a smaller number of votes, ranging between 5,000 and slightly more than 122,000 votes.

In the resolution issued today, the JNE states that the aforementioned figures represent the final vote count of the general elections for president.

Venezuela

Caldera Addresses Nation on Labor Day

PA0105042195 Caracas Venezolana de Television Network in Spanish 0000 GMT 1 May 95

[Speech by Venezuelan President Rafael Caldera on the occasion of Labor Day at the Miraflores Presidential Palace in Caracas—live]

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[FBIS Translated Text] Upon commemorating another 1 May, I would like to send my usual fraternal greetings of solidarity to all Venezuelan workers who are aware that throughout my already long career, I have put a lot of time, effort, and interest into trying to improve their situation. They represent the fundamental pillar of continuation and progress in the country, and I have confidence in all of them. In addition, they are also one of the main reasons why I have faith in my country's destiny. The situation has been very difficult under the current circumstances, but the workers can rest assured that they could not have found anyone who is more concerned about them than this speaker. I do not believe anyone would have been able to accomplish more, and even if I have not yet met all my objectives, workers should remember that they are my main concern.

We are experiencing difficult times. Real wages have declined significantly over the years, which is why we decided to implement a 500 bolivares per month subsidy bonus. In a month with 22 workdays, the bonus represents an additional monthly income of 11,000 bolivares. This income is being extended not only to the lowest paid workers but to those who receive a monthly salary of up to 150,000 bolivares, so even the lower middle class groups will receive some type of compensation.

Of course, immediately upon implementing the subsidy bonus, we began to receive all sorts of rebukes from those endless doomsayers who believe that nothing we do is sufficient. They condemn us whether we give or do not give. These critics contend that the bonus will be surpassed by continuous price increases. We plan to fight all price increases. We acknowledge the need to adjust the prices of goods whose manufacturers has experienced a number of problems due to the inflationary pressure. We are also aware of the speculation that is taking place. In this respect, we plan to implement legal guidelines to support our determination to control prices. But most of all, we want support from the consumers themselves. They are vital if we are to have any success in controlling price increases and speculation.

I would like to point out that the current minimum wage for Venezuelan workers is 15,000 bolivares per month, in addition to a 6,000 bolivares transportation and food bonus. This constitutes a monthly bonus of 21,000 bolivares. When added to the new monthly subsidy bonus averaging 11,000 bolivares, we have a monthly minimum wage of 32,000 bolivares. At the official exchange rate of 170 bolivares per U.S. dollar, it is equal to $190 per month. I must say—without implying that we have met our objective or that we should be satisfied and not continue our efforts—that the average minimum wage in Latin America is $100 per month, and in some countries it is close $200. We in Venezuela, with $190, are not trying to deceive anyone. We are simply putting the figures into their real perspective by comparing them to the foreign currency that is used as a yardstick in every country. We are really concerned about the decline in the standard of living.

Nevertheless, some say that by granting a bonus to workers, we are encouraging more unemployment. As for unemployment, the Labor Code is clear: Massive layoffs are illegal. Any complaints about a massive layoff must be filed with the Labor Ministry, which is responsible for investigating the situation to prevent these measures from being adopted, especially if there is no justification.

On the other hand, we are also quite concerned about the productivity problem. I would like to make an interesting observation: When I came to office in February 1994, interest rates on loans to producers fluctuated between 60 and 65 percent. In March 1995, interest rates had declined to less than 40 percent. We would have liked this drop to be more significant, but you are all aware of the objections raised by the central bank economists and specialists who claim that an excessive drop would represent a sort of crisis to savers. Therefore, these issues must be solved progressively.

Worker friends, you know that a financial and economic crisis like that which Venezuela has experienced cannot be overcome in a few months, but we are on our way to overcoming it. One thing I can say and will reiterate is that we are reinforcing the banking system. We are restoring the people's confidence in our financial institutions, which is essential to successfully handle similar occurrences.

In addition, we are extremely interested in worker training, an area in which we are making greater efforts. But the results are not automatic. Education is the result of a steady effort and is fundamental to ensure the future.

In this struggle against the high cost of living, we are trying to fight inflation. I have closely followed the talks between the ministers on the economic team and the business and labor sectors. I am firmly involved in, deeply concerned about, and highly interested in these talks. The struggle against inflation should be everyone's struggle. Everyday we are asked to lower the inflation rate. One of the demands presented to us is to lower the fiscal deficit. This reduction means we should spend less than the amount the government would spend normally. Curiously enough, the very same people demanding that we lower inflation keep demanding: Give me mine, give me mine, give me mine.

Let's take the university people as an example, because they are cause for great concern to me. I feel deeply involved with the university as an institution and as my personal alma mater. Even before I was sworn in as president of the Republic, I initiated a dialogue with the university sectors. Sometimes, however, I am under the impression that this is a dialogue of deaf people. Apparently the only way to understand each other is for us to accept what they say, but they will not accept a single one of our arguments or proposals. In this regard, I have made a very interesting observation. The labor unions have been more understanding and have shown more maturity and responsibility than the associations of university professionals. When I see teachers stopping their classes and thereby harming their students to make demands which we do not deny but which we are not in a position to meet at

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the moment; when I see some doctors stop working, harming their patients to press their own demands, which we also do not reject but which we are unable to meet at the time, we say: The Venezuelan workers, who bear the brunt of the economic situation, are setting a better example. These workers do not frequently go about declaring stoppages and strikes and leaving work. They know that this harms not the government but the country, the national economy, and finally, themselves, because it is they who must support it.

We are immersed in this struggle against inflation. We are willing to confront the fiscal deficit and reduce government spending, although most of it cannot be avoided because the debt service, the constitutional allotment, essential defense, foreign service, education, security, and health expenses are mandatory. This is particularly so as the fight for personal protection demands more and more every day.

For instance, the Judiciary Council has demanded several billion to raise the magistrates' salaries. I understand that the magistrates are entitled to a fairer salary, but I think the salaries of honest judges are more essential. We are in the process of vigorously prosecuting, attacking, and combating corrupt magistrates who sell justice. We cannot accept the argument that because their salaries are too low, they must earn more by wickedly selling their delicate function of administering justice.

We want everyone to understand—and I am convinced that Venezuelan workers understand this perfectly—that the struggle against inflation is everyone's struggle; that we all must make our contribution; that we all must realize we are part of a whole and a national situation in which the stability of the economic situation and control of inflation are essential and fundamental if everyone's salary and income is to be translated into better living conditions.

We also have the social security problem. The history of the Venezuelan social security system is very sad. Had the social security system functioned properly, had it not been used as petty cash for the abuses of all administrations and political parties, had the social security functioned as it should have, the workers' fundamental needs would have been met. That includes health, retirement, and unemployment.

We must face the sources of tension and these acute situations. The Intervention Board headed by the labor minister is prepared to do this with the support we need from workers, businesses, and the general public, because many special interests will be hurt. These groups will scream and try to avoid the situation, but we must put social security interests above everything else.

There is also the social benefits issue. We have made a great deal of progress in this because the interested parties, workers and businesses, are prepared to negotiate for a suitable way out that is more in keeping with the country's current situation.

This solution must be found and will be found, as I have always said, without hurting the rights acquired by workers. We must seek—and we have been seeking, the roads are open already—for a dialogue that cannot be hurried but that cannot be delayed; a dialogue that will leave no excuses for the many businessmen who say they cannot raise salaries because they feel burdened by the social benefits matter. Decreed monosubsidies [monosubsidios] are not linked to social benefits so businessmen, the economic sector, cannot argue that they are not increasing insufficient salaries because of the burden that social benefits represent to them.

The country is going through a difficult situation, but we are maintaining our belief and hope. This country has many resources for getting ahead. Here I must say that the price of oil is going up, not much, but it is going up. Mother Mary is helping us with this. When I arrived in government, the price of oil was $11 per barrel and falling. Right now it is above $16. The average price for the year is estimated at $14.52. This is a relief. It does not mean that our problems will be resolved but that our delicate situation will become more tolerable.

On this opportunity I must tell my fellow countrymen that Wednesday evening I am traveling to Rome to attend the beatification of the first Venezuelan ever to be placed on an altar: Mother Mary of San Jose. This is a great event for the country, and for this reason I have accepted with pleasure the invitation from the bishops to preside over the Venezuelan delegation that will attend this event. The Holy Father, John Paul II, will receive me for a state visit Friday morning. The Italian president will meet with me on that day also. On Sunday, 7 May, we will attend the beatification ceremony. Monday there will be another ceremony, and Tuesday I will be back in Venezuela to resume my government functions.

I think this beatification means a lot to Venezuelans, even to nonbelievers who think that this event generates sympathy and hope amid the darkness we have endured.

We hope this Venezuelan saint will intercede before Divine Providence so we can continue moving forward and so the Venezuelan workers can have this satisfaction. This saint gave herself completely to the poor, the sick, the humble, and the children. The event represents an affirmation of a principle of social justice that is fundamental to us all, because in the midst of the struggle we are waging, the huge struggle we have had to wage against corruption and all the afflictions that have invaded Venezuela, against public service inefficiency, and against the economic problems that subjugated us during the first phase of our government, we feel the satisfaction and the certainty that we are really marching forward.

On Labor Day, the Venezuelan workers will protest the high cost of living and corruption and will ask the government to take strong measures to see that those who have plundered the national territory are punished so at least part of what has been taken from the Venezuelan people may be recovered. At the same time, however, the presence

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of the workers in this event is a factor of optimism, hope, faith, and conviction. It will be an effective expression of patriotism.

I think 1 May must be a day of affirmation in the midst of a struggle that is huge, difficult, and arduous but which is charged with faith and hope, the struggle we are waging for economic and social development for our beloved Venezuelan fatherland.

Thank you very much.

Ministers Sign Resolution on Sale of Foreign Exchange

PA3004021395 Caracas EL NACIONAL in Spanish 28 Apr 95 p D-4

[Report by Freddy Torres]

[FBIS Translated Text] The development and agriculture ministers have signed a resolution authorizing the sale of foreign exchange to the importers of beef, poultry, and eggs in order to keep the domestic market well stocked and to force a reduction in the price of these products.

Beef has experienced a sharp rise, which has jacked up the price of a kilogram to 1,200 bolivares, while the shortage of eggs and the increase in the price of poultry continue.

Raul Allegret, agriculture and livestock minister, has agreed to give details on the most recent measure adopted by his office. Along with President Rafael Caldera and other ministers, Allegret has attended a solemn meeting held at the National Congress to commemorate the death of Pedro del Corral, scientist and founder of Copei [Social Christian Party].

In the first stage, foreign exchange has been granted to those importers who bring to Venezuela 100 tons of meat for industrial uses. The meat for direct consumption will arrive soon, because the dollars to import it are already guaranteed, Allegret has disclosed.

The agriculture minister has said the so-called national beef commission will meet on 2 May to review possible price controls. He has said this measure will only be adopted if the sectors constituting the chain to market the product do not lower the price of the product.

He has said the import of these products will not last a long time, only to ensure the supply for April and May. Prices will tend to rise during these months due to a period of slackness or shortage.

"There is no reason for a kilogram of beef to cost more than 800 bolivares," he has said.

He has insisted that the importation of foodstuffs will not be universal or generic but, rather, to cover specific shortages such as those of beef, poultry, and eggs. "We have not talked about other products. Other cases will be considered as shortages are detected or as their prices begin to increase steeply."

What we are seeking, the head of the MAC [Ministry of Agriculture and Livestock] has said, is to do everything within our power to help producers maintain prices in agreement with the government. "We will feel authorized to allow imports, however, if they cannot maintain prices or cannot guarantee us the supply. "

He has admitted the best way to eliminate marketing monopolies of products is to increase production and to diversify channels of distribution, but he added the government cannot fight speculation on its own. "We must achieve the participation of all consumers and municipal authorities in this objective."

Fedecamaras President Reaction

PA2904205495 Caracas Venezolana de Television Network in Spanish 0200 GMT 28 Apr 95

[Report by Zaida Pereira from "The News" newscast]

[FBIS Translated Text] The passage of the Exchange System Law has had repercussions. Some criticize the fact that monetary restriction has become the sole responsibility of the Executive Branch, which may undermine the authority of other entities.

Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] President Edgard Romero Nava has said that the Central Bank of Venezuela should continue to be independent because it guarantees more transparent decisions.

[Begin Romero Nava recording] We continue to state our proposals, understanding that Congress has the authority to promulgate laws and the executive branch has the authority to submit bills, However, in this regard, we want to continue to point out the fact that it is not advisable for a country, in the medium- and long-term, to solve temporary problems with laws that are, in the end permanent, until they are again modified by Congress itself. [end recording]

Regarding the anti-inflation pact, Romero Nava stressed that Fedecamaras will hold a directorate meeting next week to brief its members and to discuss approval.

Minister Says Oil Price Hikes Improving Country's Outlook

PA2904195195 Caracas EL NACIONAL in Spanish 28 Apr 95 p d-4

[FBIS Translated Text] Energy and Mines Minister Erwin Jose Arrieta has said that the price of Venezuelan oil continues to rise, thus creating a new, favorable outlook for the country.

At a solemn National Congress session held to commemorate the death of Pedro del Corral [former Social Christian Party leader], Arrieta was asked if electricity rates will go up. He dismissed that possibility and recalled that the Electricity Regulating Committee continues to control

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rates. He noted that this is still a hot issue since there is no legal framework for regulating electricity service.

"Fluctuations have always hurt consumers. We have tried to suggest a structural solution through the measures we are studying," he stated.

Government Will Allow Meat Imports To Combat Price Hikes

PA2904194895 Caracas Venezolana de Television Network in Spanish 1550 GMT 28 Apr 95

[From "The News" newscast]

[FBIS Translated Text] Agriculture and Livestock Minister Raul Alegrett has announced that the government will allow traditional importers to get foreign currency to bring beef, poultry, and eggs from Colombia. He explained that the authorization of imports is intended to combat the uncontrolled price speculation surrounding those products in the past few days. Alegrett said price increases for domestic beef are not to be blamed on producers or slaughterhouses but on the marketing chain.

[Begin Alegrett recording] Generally speaking, producers have kept their anti-inflationary commitment and have controlled their prices and personnel, even when, as I have stated previously, there has been a shortage of certain products due to seasonal changes. However, the enormous price hikes for several of those products has not been caused by demand, the price of beef, or the price of products at the producer level. Such hikes are prompted in the successive levels of the marketing process because they are adding very high margins and costs. [end recording]

The minister also stated that beef prices should not exceed 1,000 bolivares. This means that imports will allow Venezuelans to consume those products at a less prohibitive price.

Armed Forces, Workers Confederation Hold Forum

PA3004014995 Caracas EL NACIONAL in Spanish 28 Apr 95 p E-1

[Report by Rosita Regalado]

[FBIS Translated Text] A forum on tightening relations between the Armed Forces and the CTV [Venezuelan Workers Confederation] has taken place at the main offices of the CTV in preparation of the 11th Workers' Congress. Defense Minister General Moises Orozco Graterol and CTV President Federico Ramirez Leon have participated in the forum.

The meeting has addressed several personal safety issues, border security, job options for enlisted personnel after their tour of duty, and how to train reservists for the jobs the business sector needs, so as to provide properly trained workers.

The parties have agreed that training and skill building plans for military personnel should continue. Training programs are carried out in coordination with the Venezuelan Federation of Associations and Chambers of Commerce and Industry, the CTV, and the Defense Ministry.

Minister Orozco Graterol has said his office has the best intentions to work with the organized workers unions on operations aimed at improving things for the people.

He has discarded any social uprising, simply because the people are angry about the wave of speculation that has driven consumer prices way out of reach.

That cannot be, because the Venezuelan people want peace. Action is being taken with all sectors of the community directed at stopping speculative outbursts and to increase production levels.

The Defense Ministry takes care of its own specific business. It has nothing to report about the economy or what the government is doing about it. Nevertheless, we would be willing to defend the consumers against the attacks of unscrupulous speculators, if needed.

Federico Ramirez has said he was pleased with the meeting with the military leaders, among whom was Vice Admiral Wolfgang Larrazabal. "This is the confirmation of our good relations with the country's."

[EL NACIONAL] How is the antiinflation pact coming along?

[Ramirez] That is a negotiation process seeking to reach an agreement with all interested parties. We need the government to reduce the budget deficit, not to make any sudden changes in currency exchange or economic policies, not to allow any price hikes on food stuffs and other mass consumption goods, and no layoffs, because there is a bonus available, for which, by the way, we have never asked.

Emergency Board Approves Banco Latino Rescue Plan

PA2904011695 Caracas ECONOMIA HOY in Spanish 21 Apr 95 p 4

[Report by Ana Maria Saputi]

[FBIS Translated Text] The Emergency Finance Board (JEF) has approved the creation of a company to rescue Banco Latino's assets. Under the plan, the commercial bank and the new company managing the bank's rescue will remain legally separate. This will facilitate the process of selling the bank and paying off outstanding credits.

According to information supplied by Gustavo Roosen—up until today, Roosen has served as president of the Banco Latino Intervention Board, and from now on he will serve as president of the Administrative Board—the idea always under consideration was to establish a commercial bank that would operate a network of branches and agencies that oversee 122 offices, including automatic teller machines and drive-through service facilities. This bank would focus on retail banking services.

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This plan includes giving preference to granting personal loans, as well as loans to small and medium-sized businesses and to the agricultural sector. Initially, the pilot bank, which will remain separate from the firm managing Banco Latino's rescue, will operate with the overall deposits held by the institution—that is, 270 billion bolivares—in addition to letters of credit estimated at 5 billion bolivares.

Meanwhile, the institution's rescue firm will operate with the equivalent of the Banco Latin's unrecoverable portfolio, which is estimated at 230 billion bolivares. So far, this portfolio has been included on the institution's published balance sheet, given that it has not been legally possible to separate the two institutions.

A New Stage Starts

Given this new situation, the Banco Latino intervention process is concluding, and after the shareholders meeting scheduled for today by the Venezuelan state, a new Board of Directors will be appointed to start carrying out its duties.

Gustavo Roosen explained that based on this, the bank will be able to operate under the same conditions as any other financial institution or mercantile company organized in Venezuela. Moreover, the new Board of Directors will continue to comprise Gustavo Roosen as president, German Garcia Velutini, Jacques Vera, Luis Fernando Sanchez, and Francisco Palma, as well as a representative from the Confederation of Venezuelan Workers (CTV). Before electing the CTV representative, negotiations have begun to hold a meeting in the coming weeks to explain the bank's situation. Later, the representative of the bank employees will be appointed at a meeting called for this purpose.

According to Roosen, the Board of Directors will also include two other directors—one, an expert in systems and computers, and the other with expertise in human resources, considering these two aspects are fundamental in the development of the bank. Roosen, now president of the Administrative Board, explained that Banco Latino does not have any outstanding debt with the Deposit Guarantee and Banking Protection Fund (Fogade), because that institution only replaced losses and did not supply financial aid. Roosen explained that with the replacement of losses that took place in April 1994, the financial aid the bank was to receive between January and February of that same year was canceled, and therefore the bank's situation is different from that of other banks.

Concerning the debts the bank received from Banco Progreso and Banco Italo, he explained that, although for the time being they have not obtained from Fogade assets, the JEF assured that today it will decide on this matter by delivering profitable resources with effective yields to state banks.

Cadenas Views Banking Sector Crisis

95SM0286A Caracas EL NACIONAL in Spanish 16 Mar 95 p E1

[Interview with former bank superintendent Tesalio Cadenas by Fabiola Sanchez; place and date not given]

[FBIS Translated Text] "The crisis itself and the speed of events created a certain amount of incoherence in the Financial Emergency Board. The board did have some success, but its mistakes overshadowed its successes. Little by little we were swallowed up by the crisis."

That is how Tesalio Cadenas, former Bank Superintendent, evaluates his term in the oversight organization and the Financial Emergency Board.

In analyzing the background of the crisis of the past two years, Cadenas acknowledges that the delay in implementing the General Banking Law and the few instruments available to the Bank Superintendent's Office did affect the course of the banking crisis in a circumstantial way.

"Banking has always been a protected sector. An explosive "politics-bank" mix was generated, and that had harmful consequences. When the power of the banking sector penetrated politics, it blocked the reforms that were needed."

[Sanchez] Was not the breakup of this political structure during the present government an advantage that the JEF [Financial Emergency Board] did not know how to use to achieve stricter control of banking?

[Cadenas] There was strict control. Many steps were taken. The cases of the Venezuela, Consolidado, and Progreso Banks show this to be true. Oversight has improved substantially. If the present situation is compared with the situation last year, it is clear that the public is better informed, the government is more knowledgeable about banking, and structural problems are being detected.

[Sanchez] What happened in the Progreso Bank case?

[Cadenas] We did not have what we needed to get to the origin of the fraud.

[Sanchez] But deficiencies in supervision did serve as an argument for Fogade [Deposit Guarantee and Bank Protection Fund] to justify why they did not detect the fraud in time?

[Cadenas] Public opinion is clear about our work in the Progreso Bank case. The Bank Superintendent's Office asked for a takeover of the bank, but in the end the JEF proposed another solution. The government was trying to avert the social impact which a decision of that type would entail. If the bank had been taken over earlier, that would have taken care of all the real estate property that was turned over to Fogade.

[Sanchez] How do you evaluate the JEF's work? Its record is 17 bank failures and losses of over 500 billion bolivars.

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[Cadenas] The problem was not that banks might fail; instead, we had to save the financial system. We needed to analyze different formulas to determine what was best at that time so the financial system would not collapse.

[Sanchez] Did the lack of agreement among its members hurt the JEF?

[Cadenas] Yes. The response the government has now made to the financial crisis is to give a more technical character to the Sudeban [Bank Superintendent's Office] and to Fogade. The organizations involved in that are essentially seeking improved coherence so they will be able to rescue the financial system.

[Sanchez] Was the absence of a political leader in the JEF also a factor in the organization's failure?

[Cadenas] In part, yes. Minister Julio Sosa Rodriguez was overwhelmed by events, for he had too many responsibilities. The climate at that time also weakened the board's credibility. The problems between Fogade and Sudeban were conveyed to the public, weakening the organizations and the JEF. Many of the personal differences between Fogade and Sudeban arose because of strictly technical issues.

[Sanchez] What was the most difficult decision that the JEF made?

[Cadenas] The takeover of eight banks was the most traumatic decision.

[Sanchez] Was the Superior Council of the Bank Superintendent's Office wrong in deciding to take over the eight banks?

[Cadenas] Yes. That was a mistake. At that time I believed there should be no takeover behind closed doors, but in the end all the members of the council supported a takeover.

[Sanchez] Do you not fear that bankers whose banks failed may blame it on you?

[Cadenas] Someone has to be behind the situation created when people began to say that the takeover documentation had not been signed. The publication of the documents in the GAZETA OFICIAL gives these actions validity.

[Sanchez] But would it be a serious matter to assert that the person who served as legal adviser of the Bank Superintendent's Office should stop representing bankers from failed banks?

[Cadenas] I do not know. Everyone has his own conscience. When someone attacks the interests of the state, that responds to some other interest. This is a hypothesis of fundamental logic.

[Sanchez] Why did you not openly confront the charge of corruption in the Superintendent's Office, made by Hector Turuhpial?

[Cadenas] A cleanup was conducted of the Bank Superintendent's Office, and about 25 people were sacked. Whenever any irregularity was detected, I ordered an investigation.

Fedeagro Presents 1995 Pricing Proposal

95SM0286C Caracas EL DIARIO DE CARACAS in Spanish 25 Mar 95 p 18

[Unattributed article]

[FBIS Translated Text] Fedeagro [National Federation of Agricultural-Livestock Producers], as planned, yesterday presented its sector's proposal to combat inflation.

Hiram Gaviria, president of the Federation, said they have agreed that producers' 1995 prices will be held 20 percent below inflation.

He explained that if inflation reaches 40 percent, prices of food products, beverages, and tobacco would rise 32 percent, using as a base the prices of these products in January 1995. "We will make up the differential between inflation and the real prices of agricultural and fish raw materials with greater productivity, more added value in our products, and by streamlining production costs."

Gaviria explained that this anti-inflation commitment can not be one-sided; others must make their contribution. "Some can do this by moderating their earnings and supporting purchases of raw materials produced in Venezuela."

According to Gaviria, the Executive should do its part by setting a definite course in economic policy and providing guarantees for better financing, reductions in interest rates, a stable exchange rate, control of prices of supplies, support for renovation of agricultural machinery and equipment, measures to deal with unfair competition, and incentives for increased productivity.

He also emphasized that "our anti-inflation proposal is contingent upon the performance of other sectors, particularly the National Executive."

Gaviria said that rural producers are aware that there will not be a prosperous agricultural sector if Venezuela does not move forward: "We hope other sectors will realize that without a profitable and modern agriculture, there will be no sustained harmonious development."

To Place Commercial Paper

He expressed concern because time is going by and decisions have still not been made. He noted that the rainy season is approaching, which he called the most important agricultural period, and collection and payment terms have still not been established. "Let us hope that people will realize how serious another year of agricultural and agroindustrial recession would be for the nation."

Still, he expressed appreciation to the Executive for accepting the proposal to raise the agricultural portion of the budget from 12 to 17 percent. "We are hoping for a

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similar reception of our proposal to allow agriculture and agroindustry to place commercial paper (with the guarantee of their products), which will lower the cost of money."

Health Services Passed to 3 States

95SM0286B Caracas EL DIARIO DE CARACAS in Spanish 24 Mar 95 p 20

[Article by Freddy Bravo Arroyo]

[FBIS Translated Text] Yesterday in Miraflores President Rafael Caldera signed the agreement transferring the health sector to the governments of the states of Monagas, Tachira, and Trujillo, and recreation to Miranda and Trujillo.

The governor of Miranda, Arnaldo Arocha Vargas, spoke at this ceremony in his capacity as president of the Governors Association, stating that this agreement transferring responsibilities demonstrates the Executive's clear readiness to promote the nation's development.

"Today the health sector is being transferred to the states of Monagas and Tachira. This makes 11 states which are administering this sector in their own regions. And at the same time, Trujillo and Miranda are taking over responsibility for recreation."

Arocha said that the transfer of responsibilities for health care to some states is still pending in the Senate. He hopes that within the next few months the analysis which Congress is conducting about transferring health care responsibilities to the rest of the federal entities will be completed.

"There has been a great deal of speculation, and I want to tell you in very straightforward language that President Caldera was opposed to the decentralization process, and now we are witnessing the signing of another agreement. I must say with all clarity that he has been the president who has signed the most agreements in this decentralization process."

The president of the Governors Association emphasized the cabinet's determination to continue processes of this nature; it has also requested that similar steps be taken in other areas like housing.

MSAS: Maturity in the Decentralization Process

According to Minister of Health Carlos Walter, this ceremony transferring responsibilities in the health sector is a step of reaffirmation and a decentralization strategy that is being promoted by the National Government. This important process is simply a matter of the maturity that has been developed, "and now we have 11 decentralized states, almost 50 percent of our entities."

He revealed that this is a noteworthy event in the life of the MSAS [Ministry of Health and Social Assistance], an organization which has grown in a disorderly manner. Now, with these new steps, it will work to make a notable contribution toward improving health services for the population. Walter added that while on this occasion three agreements were signed, that process had already been gaining ground, and he expressed great appreciation to the governments of Monagas and Tachira, "where even before the agreements were signed, those two governments were making major investments in the health sector."

He recalled that such steps were not taken in the past, emphasizing once again that this is a clear indication of maturity, both on the part of the Executive and on the part of state governments.

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